

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, May 11, 1972

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 85 students, Grade 6 standing of the John M. King school. These students are under the direction of Mrs. Kirk, Mrs. Thiessen and Mrs. Burka. This school is located in the constituency of the Honourable Member for Wellington.

We also have 8 students Grade 9 standing of the Sansome Junior High School. These students are under the direction of Miss Cynthia Jardine. This school is located in the constituency of the Honourable Member for Assiniboia.

And we have 60 students of Grade 6 standing of the William Russell School. These students are under the direction of Mr. Seaton and Mrs. Morris. This school is located in the constituency of the Honourable Member for Radisson.

On behalf of all the Honourable Members of the Legislative Assembly I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for St. Vital.

REPORTS OF STANDING COMMITTEES

MR. JAMES WALDING (St. Vital): Mr. Speaker, I beg to present the First Report of the Standing Committee on Private Bills.

MR. CLERK: Your Standing Committee on Private Bills begs me to present the following as their first report:

Your Committee met on Thursday, May 11, 1972, for organization and appointed Mr. Walding as Chairman. Your Committee recommends that for the remainder of the Session the quorum of this committee shall consist of nine (9) members. Your committee recommends that the time for presenting petitions or private Acts of the Legislature be extended to the 15th day of June 1972 and that the time for presenting private bills to the House be extended to the 22nd day of June, 1972.

All of which is respectfully submitted.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the Report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

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

MR. WALDING: Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that the time for presenting petitions for private bills be extended to the 15th day of June, 1972; and that the time for presenting private bills to the House be extended to the 22nd day of June, 1972.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Industry and Commerce.

MINISTERIAL STATEMENTS

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Yes, Mr. Speaker, I'd like to make a brief statement with respect to the operation of the Shellmouth Reservoir . . .

MR. SPEAKER: Order, please. Does the Honourable Minister have a copy as per our rules?

MR. EVANS: Yes, I do. In fact I have a copy for everyone in the House, Mr. Speaker. The weather conditions over the upper Assiniboine River Basin have been favourable for the past two weeks. Flows on both the upper Assiniboine and Shell Rivers are now receding and present indications are that no significant rises will occur in the near future. In view of these favourable conditions in the watershed above the Shellmouth Dam the outflow from the Shellmouth Reservoir will be reduced from the present rate of 40,000 cfs to 3,000 cfs on May 15th. If these favourable conditions continue a further reduction from 3,000 to 2,000 cfs will be made on May 19th. The river stage corresponding to a flow of 2,000 cfs is about 3.5 feet

(MR. EVANS Cont'd) . . . below that stage corresponding to a flow of 4,000 cubic feet per second.

Mr. Speaker, it should be noted that any significant precipitation in the next two weeks could make it necessary to change the above described pattern of outflows and therefore in fact could make it necessary to increase outflows from the reservoir. Thank you.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Mr. Speaker, I have a very short statement to make. It's just that I'd like to announce the completion of negotiations for an \$80 million Swiss franc loan, which is roughly \$21 million with the Union Bank of Switzerland. The province has sold five-year notes bearing an interest rate of six and one-eighth percent at a price of \$98.25, which is a rough cost to the province of about six and one-half percent. This is not a public offering, it's a private arrangement negotiated by my Deputy while he's in Europe completing the German Bond Issue that I announced I think yesterday.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable the Attorney-General.

INTRODUCTION OF BILLS

HON. A.H. MACKLING, Q.C. (Attorney-General) (St. James) introduced Bill No. 51, an Act to amend The Real Property Act.

MR. SPEAKER: Oral Questions. The Honourable Member for Birtle-Russell.

ORAL QUESTION PERIOD

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question I will direct to the First Minister. Could the First Minister provide the House with the criteria used in paying for flood compensation in the Poplarfield-Libau area where the farmland there was under long-term flooding. I was wondering if the First Minister could take the question as notice and provide us with the information.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I will take the question as notice really for two reasons. One, the kind of information which the honourable member seeks is not just immediately known to me, and also it comes really under the terms of reference to the Minister of Agriculture.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I have a question for the Honourable the Minister of Industry and Commerce. In the event that the City of Winnipeg uses the competitive tendering system to purchase buses, will the province honour the proposal

. . . MR. SPEAKER: Order, please. I would suggest that the way the question is phrased it's hypothetical. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Has the offer that was made by the province with respect to assisting in the purchases of buses, is it a non-conditional offer regardless of how the buses are purchased?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I think this comes more within my purview. I would say that seldom is there an unconditional offer in relation to grants, grants federally, provincially, and otherwise, normally have certain conditions attached. Now that doesn't mean I want to avoid answering the question. Let me indicate that last year the Metropolitan Corporation came to the province and stated that they wanted to enter into a purchasing arrangement whereby they would have a regular stream of buses on track; they were concerned about keeping the Manitoba based industry Western Flyer Coach in business; they had checked out the prices; they had satisfied themselves that they were in line, and they were anxious to arrive at an arrangement with Western Flyer in order to be able to see to it that there's a continuity of employment in the Province of Manitoba.

On the basis of their request and in line with their suggestions, the province then agreed to pay - and I may be wrong in specifics - but roughly one half of a million dollar order for buses to be spread over a period of months with regular delivery dates with Western Flyer.

This year I was given to understand that again the City of Winnipeg had been having that

(MR. CHERNIACK Cont'd) . . . kind of discussions with Western Flyer Coach and I was being asked to make some sort of commitment on behalf of the province in relation to that purchase. Neither last year's nor this year's was part of any ongoing program that the province had accepted. On that basis after some consideration I advised the City that they would - and again I'm not sure of the exact wording I used - but that I would assume that I thought that they had a right to assume that we would continue the arrangement at no less than last year's arrangement and that was upon being told that the City was concerned about Western Flyer continuing in operation, and the need for continuity of operations and job employment within Manitoba. So on that basis it was clear in my mind that they were asking for an extension of last year's arrangement tying in Western Flyer Coach. Now since that time - I wrote that letter, and the members opposite and all members of the House, probably know that apparently there was some confusion in the mind of City Council as to what they really wanted. Since that time I have not had any formal discussions so that I think it would be wrong - you want me to stop talking, Mr. Speaker? May I finish my sentence then? I think it would be wrong to carry on negotiations or discussions in this House but rather it should be done with the City of Winnipeg.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I would direct my question to the First Minister. I wonder have the government any intention of concurring with the request of the delegation from Sprague for government to take over public ownership of the Columbia Forest Products?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it is correct that a delegation from that community did come to Winnipeg to meet with me. I was able to meet with them very briefly, at which time they did make known their concern about the future operation of the plant. Now if that doesn't answer the honourable member's question, I suppose he'll wish to put a supplementary.

MR. BEARD: Well, then, does the government consider Columbia Forest Products as a viable industry?

MR. SCHREYER: Mr. Speaker, I do have a view on that but I think it would be important to point out to the honourable member that the decision really will have to be made in the initial instance, at least, by the Manitoba Development Corporation in light of the legal circumstances that surround the operation at Sprague, and only if there is then some uncertainty on the part of the MDC would it be necessary to obtain an opinion from the government.

MR. BEARD: A last supplementary then. Would there be any hopes that the residents of Sprague could receive a reply by say the end of this week?

MR. SCHREYER: Mr. Speaker, that depends on the legal actions that are being taken even now as I'm speaking. I understand that certain legal measures or steps have been initiated this week and therefore a precise answer to the honourable member's question is impossible to give at this time.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a couple of questions for the Minister of Health and Welfare. Has he ascertained how many jobs, and the type of jobs, that are available at Thompson, and has he been able to place any welfare recipients into these jobs?

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

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Yes, Mr. Speaker, I wish to thank the Honourable Member for Thompson for pre-advising me of the question. I had been informed that there were 100 jobs available in the Thompson area and the information that I get is that there are twelve jobs through the Canadian Manpower Corps; there are two electricians jobs; three waitresses; one security guard; one cook, three construction labourers; one receptionist; one dental assistant; and one truck driver, and we've - I've actually released a directive to the regional director and his staff in the Thompson area to see that every employable social allowance recipient that is able to work apply for these jobs and give me the reaction of the company in question. I haven't received a report to date but some of these jobs could be filled by those who are able-bodied social allowance recipients, that is unemployed by employables.

MR. BOROWSKI: I have a different question for the same Minister, Mr. Speaker. In view of the very serious allegations made yesterday at City Hall by one doctor Colin Merry regarding the illegal dispensing of drugs and other questionable practices being carried on at Mount Carmel Clinic, has the Minister, or will the Minister ask the College of Physicians and

(MR. BOROWSKI Cont'd) . . . Surgeons cause an investigation to be launched into these allegations?

MR. TOUPIN: Well first of all, Mr. Speaker, I would like to receive a copy of the complaint made by Dr. Merry and Associates, and once I have read the report, the complaints, the College of Physicians and Surgeons and/or the Attorney-General's Department could become implicated.

MR. BOROWSKI: A supplementary, Mr. Speaker. Will the Minister consider cutting off any further or temporarily suspending any further funds until his department is satisfied that the laws of this province are being observed by the clinic?

MR. TOUPIN: Mr. Speaker, that second question is making assumptions that I would like to determine before deciding or recommending any policy changes.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: A question to the Minister of Health and Social Development. Has the Department of Social Development a direct contact with the International Nickel Employment Office either in Winnipeg or Thompson? A direct contact with the employment office, International employment office?

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

MR. TOUPIN: Yes, Mr. Speaker, we keep in touch with them.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the other day the Honourable Member for Riel asked a question as to whether or not Manitoba Hydro had retained the British Consulting firm of Alec Gibbs Clark, Parker and Dixon. I have made inquiry and the answer is negative.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BARKMAN (La Verendrye): Mr. Speaker, I would like to direct my question to the Minister of Finance concerning the \$21 million borrowed. Concerning the \$21 million you announced that you were going to borrow, I wonder if the Minister would mind telling this House if this \$21 million is labelled or intended for any particular project.

MR. CHERNIACK: Mr. Speaker, we often receive opportunities to borrow money and when they are really good, we take advantage of them. This was one case, and in this case, based on the available capital authority and monies that we had already advanced as we do advance demand monies to various Crown agencies in this particular case this \$21 million is being assigned to monies advanced to the Manitoba Development Corporation.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister of Colleges and Universities. It relates to the guidelines used by the Provincial Student Employment Office in dealing with applications. Could the Minister tell the House if preference is given to applicants having some financial obligation to the province, perhaps in the form of student loans, in determining whether or not they will be successful?

MR. SPEAKER: The Honourable Minister of Youth, and University and Colleges.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Speaker, one of the criteria is the needs of a student, and certainly in determining the needs we look at the records to see whether the student applying for a job has received a bursary, or has had to take out a Canada Student loan. This is one of the criteria that is used, but not the only criteria.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: A supplementary question, Mr. Speaker, would the Minister feel that this is a form of discrimination against students who make it on their own?

MR. MILLER: Mr. Speaker, the discrimination if it exists is in favour of those who need the help, who haven't access to other means.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. Could the Minister inform the House as to whether he's going to bring in a bill to amend the Municipal Act at this session?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): I believe there has already been an indication, Mr. Speaker, that there will be such bills introduced to amend the Municipal Act.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): A question to the First Minister. Has the First Minister decided whether or not the government will allow the residents of the north an opportunity to present a brief before the flooding of the - before the Manitoba Hydro is allowed, given a license to flood South Indian Lake?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't suggest that the question is not a valid question but I do believe it is premature by at least a couple of weeks. Once we have a definitive recommendation from the Board of Manitoba Hydro as to the required course of action, or recommended course of action to take, then the government will be in a position to know much more clearly as to what form, what kind of dialogue or consultation, to effect between Manitoba Hydro, the government, and the residents that might be affected.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I have a question for the Honourable Minister of Highways. Has the government made a decision to request MTS to remove long distance toll charges between Headingley and Winnipeg?

MR. SPEAKER: The Honourable Minister of Transportation.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, it's a matter of policy. When the government makes that decision, that will be announced.

MR. PATRICK: A supplementary. Will that decision be made during this session?

MR. BURTNIAK: Mr. Speaker, as I said, it's a matter of policy and if it will be possible it will be made this session; if not, it may not be.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, my question is to the Minister of Highways. When he is considering the decision regarding Headingley, I wonder if he would also consider LaSalle which is the same distance from Winnipeg as Headingley?

MR. SPEAKER: Orders of the Day. The Honourable Minister of Transportation.

MR. BURTNIAK: Mr. Speaker, here again when the Honourable Member speaks of LaSalle, or any other area in the Province of Manitoba, a survey has been taken throughout the province by the Manitoba Telephone System and recommendations will be coming forward in a short time.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the House Leader. Can the Honourable House Leader tell us when the Public Utilities Committee will meet?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Not at this moment, Mr. Speaker.

MR. ENNS: A supplementary question, Mr. Speaker. Can he indicate whether it will be the next moment?

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

MR. EVANS: Mr. Speaker, the other day I took as notice a question regarding sandbagging at Pelican Lake. I can advise the honourable members that a culvert installation equipped with slide gate controls, the artificial diversion of waters from the Pembina River into the Pembina Lake, our policy is that these gates will remain closed pending a decision by the Pelican-Rock Lake Advisory Planning Commission as to a permanent system of controls affecting Pelican Lake inflow and outflow.

A couple of weeks ago, in fact on April 12th, the department became aware from local reports that one diversion gate was open. Subsequent investigation showed that through some vandalism by persons unknown, one diversion gate was damaged and removed from the culvert. On April 24th the culvert was closed by sandbagging as a temporary measure.

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

MR. G. JOHNSTON: Mr. Speaker, I have a question for the Minister of Municipal Affairs. Has there been some secret negotiation whereby LaSalle has been taken into Greater Winnipeg?

MR. SPEAKER: Orders of the Day. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable Minister of Industry and Commerce. It's been some time, Mr. Speaker, that we've heard forecasts of sales for the Churchill Forest Industries Complex from the Minister who has made them from time to time. I wonder if the Honourable Minister would undertake, not necessarily today, but in the next few

(MR. ENNS Cont'd) . . . days, to give us an indication of the current situation of sales of pulp and lumber from the CFI Complex.

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

MR. EVANS: Mr. Speaker, in the past I have been given this information from time to time by the Receiver Manager, Mr. Hallgrimson, and I will endeavour to contact him to see if there is any recent information that may be of interest to members.

MR. SPEAKER: Order, please. The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker. I wonder even if at this time the Minister could indicate, is the mill, the pulp mill operating at close to or near capacity at this particular time?

MR. EVANS: Well, Mr. Speaker, as is the case with all new pulp and paper mills, it takes a number of years or a period of time for the mill to reach a given optimum level of capacity. I have seen sub-figures which showed that the management of the mill are proceeding quite favourably in comparison with other new pulp and paper mills that have started from scratch, so to speak, and I can only advise that the rate of progress of increasing capacity seems to be favourable, but I cannot answer the question specifically. I cannot give a percentage figure.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I have a question for the Minister of Health and Welfare. Can he indicate to the House how many people are enrolled on the Provincial Welfare list?

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

MR. TOUPIN: Mr. Speaker, there is on the Order Paper today as the honourable member can see, an Order for Return that will give this information if accepted.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Before we go into Committee, which I imagine is what the Minister of Finance is anxious to do, we have two Orders for Return. Proposed Order for Return by the Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I beg to move, seconded by the Member from Minnedosa,

THAT an Order of the House do issue for a Return showing:

1. The total amount of monies paid out to The Pas Forestry Complex by MDF or MDC as of the following dates:
 - (a) Up until July 15, 1969
 - (b) Up until date of Receivership
 - (c) As of May 8, 1972

MR. SPEAKER presented the motion.
The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, we can advise the honourable member that this order is acceptable. There may be some difficulty in getting information as recent as May 8th but on the understanding that we will provide information as updated, and as recent as is conveniently or reasonably available to the MDC without having to perform any special accounting procedure.

MR. SPEAKER: Agreed. Very well, so ordered.

The proposed Order for Return by the Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I move, seconded by the Member for Minnedosa,

THAT an Order of the House do issue for a Return showing the following information under the Social Allowances Act, Chapter S160 in the Manitoba Statutes, Section 5 (h) from May 1, 1971 to April 30, 1972:

- (1) How many applications for assistance were received.
- (2) How many requests for assistance were granted.
- (3) What was the total cost of the program.

MR. SPEAKER presented the motion.
The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, it is the intent of the government to comply with the request

(MR. TOUPIN Cont'd) . . . made here. It may be difficult to get the information readily pertaining to the date specified by the Honourable Member for Fort Rouge, and as the Member is aware the Social Allowance Act is applicable to municipalities who have by-laws referring to Social Allowance, so again insofar as the Department of Health and Social Development is concerned it may take some time to get the information up to the date required and if the information is available through municipalities with such by-laws, we will comply with the request.

MR. SPEAKER: Agreed. So ordered.

The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, it is our intention to call the Committee of Supply and I wonder if, Sir, I may make an announcement of a Committee Meeting prior to the calling of that motion in order to acquaint members that the Public Accounts Committee will meet Monday next at 10 a. m. to hopefully conclude its deliberation; and the Honourable Member for Lakeside asked me a question in respect of Public Utilities, I can now inform him I will try and arrange for the meeting of the Committee to be held Thursday next.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I thank the Honourable House Leader for the information just given. I am just in some state of amusement and wonderment why he couldn't give it to me during the course of the Question Period.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I move, seconded by the Honourable the Minister the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MR. SPEAKER: Very well. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker . . . going on this motion into Supply I wish to speak on a Matter of Grievance.

MATTERS OF GRIEVANCE

MR. PATRICK: Mr. Speaker, the subject that I want to talk about is taxation and an increased mill rate that will be imposed on many of my constituents, and particularly in Headingly. I am quite concerned that recent budget estimates that were made public by the City of Winnipeg indicates that the majority of the people in the Greater Winnipeg area, the majority of the people will be subject to paying very high property taxes. We were told during the Unicity debates last year that 85 percent of the people will be paying or will have less property tax, but, Mr. Speaker, this is not so. The facts prove today and the budget estimates indicate that 85 percent will have an overall increased mill rate for almost all municipalities in the Greater Winnipeg area with the exception of, I understand, a small part of East Kildonan and a very small part of Fort Garry. I know that in my constituency in the Village of Headingley, the people do not have sewers; the people do not have water facilities; they do not have transportation, and they will be subject to a very high mill rate, a very high increase in property tax.

I would like to indicate to you that, and I have the statistics here, all the way dating back to 1964 where the mill rate was 38, 77 in 64 - and I'm quoting - in 1965 it was 39; in 1966 it was 41; in 1967 it dropped again to 36; 1968 it was 41, so you have a gradual increase of about 1 mill rate each year. In 1969 it was 49; in 1970, 53; in 1971 the mill rate was 55 in St. James-Assiniboia. This year the estimates and the indications are that the mill rate will be 72.9 percent for an increase of 17.3 mills which on a very small assessment, on an assessment, let's assume on \$6,000 of assessment, the increase in property tax will amount to a little over \$100, and in my opinion this is a very substantial increase and again I say many people who have not the same services as the rest of the City of Winnipeg, who have not transportation facilities, have not waterworks, and so on, I cannot see why they should be subject to these high, very high increase in property tax.

I know that during the debates last year, we were told that amalgamation will result in, it will reduce duplication; it will reduce costs; it will improve services, and as a result it will reduce taxation. I feel that we need amendments to the city tax bill during this session and I hope that the Minister will undertake to bring amendments to the city bill where there will be an opportunity to exempt some of these people in that area from this high increase in assessment.

I feel that by way of government subsidizing some of these areas that we can relieve from

(MR. PATRICK (Cont'd) . . . the high increase, because when this issue was debated last year we were told that 85 percent of the people will be paying less tax - and I have the pamphlet, the one that was I believe delivered to every household in the city which explained the new concept in local government, and it stated that I will quote again "that most of us lived in one municipality, play in another, and work in yet another municipality. It's only fair that costs of providing services should be shared equally across the whole area". And it states on a basis of raw actual 1970 budgets the effect of tax equalization would be to produce a reduction in mill rate for 80 percent of the people. That's what we were told. My concern is, Mr. Speaker, this is not what has taken place. The reverse is what has happened. That 80 percent or 85 percent of the people right now will be subject to very severe increase in tax, and my feeling is, and I am of the opinion that the \$1 million that the government set aside, or \$1.5 million that the government set aside for transition period is not sufficient. I understand that administration costs will be more in the neighbourhood of six to seven million dollars and I think the government has an opportunity during this session to correct the situation.

I know that the - I am not blaming the city council because they were strapped with the situation, they have to have money and they're struggling in every way to try and raise this money, and I see that they may even subject pensioners to, or increase the bus fares for the pensioners. I think this would be a great injustice. I would like to see the government - not only that we should have removed or reduced the fares for pensioners, but I think we should have removed it totally like they do in Alberta. I think it would be a complete injustice to have this age - to increase the fare for pensioners in order to raise the kind of money that we need to run the city.

So, Mr. Speaker, I feel that it's a very important issue and I feel that many members should really concern themselves with this issue at the present time. I think that we told the government last year that the structure proposed was a jumbled up one. Executive image with three or four executive bodies with ill-defined duties, and this is exactly what the present council in the City of Winnipeg is experiencing. There are commissions with certain powers and with cross-jurisdictional conflicts between functions allotted to different committees, various departments and with ill-defined responsibilities. I think that the legislation does not, and will not stand up to the standards of good municipal government - the present Unicity legislation - and I feel that the government has a responsibility to do something during this session of the Legislature and not to wait.

I know that in the last few days that many members, particularly in my constituency, or in the whole St. James-Assiniboia area, where you have an increase in the mill rate of 17 percent which constitutes an increase in tax of almost 30 percent, which is 17 mills, which represents an increase of almost 30 percent. So in my opinion this is a very serious matter. The people are concerned and I mentioned it to the House during the debates of the Unicity Bill that many of the people were concerned that this would happen, and at that time most of the municipalities outside of Winnipeg were not in favour, they were strongly opposed, and I at that time questioned the judgment of the government to do something to force the amalgamation against the wishes of most of those people in the areas outside of Winnipeg itself. -- (Interjection) -- Well one of the members says budget control. I, Mr. Speaker, I feel that the council can do very little so I think the government can do very much.

I feel that the government must make a much larger allocation to the City of Winnipeg for the transition period. I think the amount that they set is not enough. It's probably 10 percent what the increased costs of the administrations will be, what was set by the government. So my personal opinion is that's one area that the government must do something to increase it's contribution.

The other point - I think it is a very important point when you have areas like Headingley, perhaps parts of Fort Garry, areas which have not the same services as say the other areas have closer to the centre of the City. When they have not the same services, they have not transportation facilities. As I mentioned, they have not water facilities; they haven't got the same garbage pick-up, or many of the facilities that the rest of the City will have, and in my opinion I cannot see why they should be subject to the same mill rates, or the same increase in tax as the other part of the City. Again I am appealing to the government. I am appealing to the government to do something during this session, during the sitting of this session of the Legislature.

I think that what will result after the tax notices will be mailed out, that you will have an

(MR. PATRICK Cont'd) . . . exodus out of this City. Many people are concerned right now and surely the government can do something. I think that the people that are concerned are justified. I do not feel that we should start increasing tax, property tax, by amounts of 30 percent in any one year. I think that's exorbitant, that's high; and secondly, to raise that kind of revenue that's required by increasing parking, increasing the parking meters, and increasing perhaps transportation tickets for old age pensioners and our senior citizens, is in my opinion completely wrong. I think our senior citizens have been discriminated for too long, they have been disadvantaged for too long in this country. They have went through a period of two wars, they went through a period of depression, and I think that they deserve the kind of treatment that the Federal Minister the other day increased the pension to the needy ones by 11 percent. Increased it to \$150 each, and this should have been done a long time ago -- (Interjection) -- I agree. But I know some may say it wasn't enough because the ones who are not receiving a supplement did not receive an increase. Well perhaps an increase on a universal basis would have cost an exorbitant amount of money and maybe this couldn't have been done, but I feel that certainly we in Manitoba cannot resort to raise the kind of money through increasing of transportation and transit fares for senior citizens to get the necessary money to run the municipal government in Winnipeg, in the greater Winnipeg area.

Perhaps the Minister can hold a few meetings around the City of Winnipeg, and perhaps he can hold one in St. James-Assiniboia, and explain, explain why such an increase will take place this year when we were told during his meetings last year that there would be a reduction of 85 percent, now we know there is going to be an increase of 85 percent. I know that the meeting in St. James was very well attended, there was a large turnout, there was around 800 people, and the people went away from that meeting not satisfied. I know there were many statements by some aldermen even the Mayor of St. James, at that time who stated that the government was operating like a dictatorship, and this was headlined in the St. James paper at the time.

I think that the government needs to explain to the people of Winnipeg and the City of Winnipeg why the exorbitant increase and surely I hope they will consider my suggestion that during this session the bill should be amended, that there should be increased contribution made to the City of Winnipeg during the transition period from the small amount that was indicated of \$1.5 million, I believe. I feel that should be increased to anywhere from six to seven million dollars. And the second point the government should give serious consideration that areas of Winnipeg that do not receive the same services as the immediate centre core, or places that are - or areas that have full services should not be subjected to the same high taxation as the City of Winnipeg. I hope the government will give serious consideration, Mr. Speaker, to this matter.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: May I ask a few questions of the honourable member. Firstly, since I have faith in his integrity of reporting, can he cite any instances where a spokesman for the government on the Unicity concept ever promised a reduction in taxation?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I will read it into the record, and I wonder if the Minister is familiar with this here pamphlet. If he is familiar with the pamphlet he should turn to, I believe the centre page, and on the basis of actual 1970 budget the effect of tax equalization would have been to produce a reduction in the mill rate for 80 percent of the people in the greater Winnipeg area.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Would the honourable member mind repeating exactly what is in that pamphlet I didn't quite hear it well enough to be able to be sure that he understood it.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I think that the Minister can find it in his desk or perhaps go to his office, I am sure he will find many copies that he distributed to almost every house in the greater Winnipeg area last year.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: . . . first question, Mr. Speaker. Is the honourable member not aware that the Municipal Act makes provision, and has for many years, for any municipality to provide for a relief or reduction in taxation for any taxpayer or group of taxpayers. Is he aware of that?

MR. SPEAKER: Order, please. Much as I appreciate that questions of clarification have to be asked, but when they open up new areas of debate I am not sure that we should entertain them. I don't recall that the honourable member was discussing that particular area but I will tender it at the moment, and I want that caution to be accepted. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I am prepared to answer the question. I know such appeals very seldom get any results from council, but I also pointed out to the Minister through a period of some eight years that increases in mill rate were a matter of one mill to two mills each year, and there were some years that the mill rate has dropped. This year it's 17.3 mills increase, which means 30 percent increase from the last year, and I think that it's very exorbitant in a matter of one year.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I'm not sure if I should ask more questions if I invite speeches they are repetitive but my final question is: would the honourable member recommend that the area of which he speaks, that is the Headingley area, or any part west of the perimeter should be excluded from the boundaries of the City of Winnipeg?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I wish the Minister had been listening when I was speaking. That's not what I recommended at all, and I am not recommending that now. I am saying that they need relief and they need help, that's what I'm saying.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Chairman, I wanted to ask the honourable member a question. Does he not believe that the city council has a responsibility to pare down its own budget, to carefully examine its own expenditures and to cut.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, not that I understand but I know that is the fact, but I can also tell the Minister that if they pare the costs any more we will decrease our services in St. James-Assiniboia by almost 25 to 30 percent, in fact the services I think are not as good as they used to be. So when he says cut, decrease, if we are going to decrease the costs down, we will have to decrease the services.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I wasn't going to use my grievance up at this present time except until I heard the last statement from somebody on that side of the House say, shouldn't they be careful of expenditures. If I ever heard the kettle calling the pan black and vice versa it is . . . that I've ever seen. The commissioners of the new city, the Bill 36 setup which is presently got them in a box, and they can't do anything else, have worked on the budget so hard and pared it so badly that there will be less services for more money in the new city, and there will be less services for far far more money in the outer areas. The city members of the NDP who sit smugly there last year and voted for this bill, and watching their taxes go up as they are going up at the present time, ought to be downright ashamed of themselves.

They were told that it would happen. The prediction of Mr. Elswood Boles that was mentioned in this House last year, Mr. Speaker, was 17.5 million dollars. We are now looking at about eight and we are nowhere near parity yet. And if you are talking about cutting down expenditures go ahead and tell the people that work for the City that they earn less working in one area than they do in another. It's going to come, it's going to be parity. This government told - it was told it would happen and there is no way around the fact that the budget of the City of Winnipeg, or the budgets that have been presented by the Community Councils can be cut any more. In fact they were cut more than they have ever been cut in the last five years. In fact I happen to know it. There were -- (Interjection) -- Yes. Because you're tied in, you're tied in with your stupid legislation and that smiling man over there from Osborne thinks it's darn fine. Now, Mr. Speaker, -- (Interjection) -- smiling man, and you do smile once in a while.

MR. SPEAKER: Order, please. Order. Order, please. I would suggest that the honourable member who's getting a little heated should just slow down his machinery a wee bit. I'm sure he will appreciate that he doesn't wish to offend any member of this House. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I was getting heated and I will cool it down. But I would like to assure you, Sir, that it's very disappointing to be involved with municipal affairs

(MR. F. JOHNSTON Cont'd) . . . as long as I have been and seen the mess that Bill 36 has put this city into, and it's going to continue.

The figures that the Honourable Member from Assiniboia gave are factual, and you were told it was going to happen, and the real disappointing thing is the 25 mills more that business pay over the householder, or the residential, and that's set up by your Education Foundation and you are looking at an increase from 81.75 in 1971 to 97.9 for your businesses in St. James-Assiniboia. Now that doesn't just include the large corporations, Sir, that these people don't seem to be too interested in, that includes the little storekeeper and many people who are trying to survive, and getting a high tax rate shoved at them.

Why? Why this government continued after they were told and what did we do last year? We said we don't like the bill. They were going to pass it anyway. We said give the community committees more authority. No, they didn't do that either. Then we said okay if you pass it have your election but hold off until 73 until the costs can be examined so we know what we're going into. Let's really find out if some of the people who have said things would go up when the changes would be made, really knew what they were talking about. Let's really see if they'd taken consideration or even maybe believe the boundaries report, which was only a report, which said it will be very costly to go to one city. No. It was all disregarded, thrown aside by this government, and we get a White Paper that's based - and I know what the Minister was talking about - based on the 70 taxes that this would have happened. And I can remember the Minister saying, I can't give estimates for 1972. How can we possibly? Mill rates change, costs change and this type of thing. I remember the articles and the brochures that came out, or the statements, and what was sent to all the aldermen. But it did happen, and there was no need for it to happen. There was absolutely no need whatsoever to put this city into total amalgamation in one "foul" swoop. -- (Interjection) -- Well "foul" is the word. Very.

Now I'll tell you, Mr. Speaker - (Interjection) -- No, they're going up next year again, not this year. And it boils down again that here we are in the position that we talked about on another - for eight days in this House, and I certainly won't want to go over that again, but here it is again. This government stands up and says, we're going to give everybody back 50 bucks towards their education tax. And they're the guys, they're the guys that passed the legislation that is going to give a \$4,000 assessment in St. James-Assiniboia - and I wish the Attorney-General was here because that's about the average in his area - approximately \$65.00 increase. A \$5,000 assessment will be 85; \$6,000 assessment will be close to 106; \$10,000 assessment, boy, 170. And you say . . .

MR. SPEAKER: Order.

MR. F. JOHNSTON: . . . you know, here we go. When the Minister of Finance figures we've made the biggest tax shift that I have ever seen in my life, and he's been saying it for the Medicare, and everything, and what happened? Every bit of legislation that goes through this House puts more taxes on the people of this city, and you know, you're going through the door, you're being held by the hand as you go through, we take you gently through the door, and then we wallop the hell out of you with a baseball bat.

You know, Mr. Speaker, it's shocking that this government who could have, very easily could have had the elections that was our last stand, continued your councils and let the new councillors investigate how they would have put this city together, what the costs would be, and we'd seen more reports, and maybe we wouldn't have been in this trouble. But no. It was this type of platform -- (Interjection) -- Well it's going to beat you. You keep saying that it's not - everything you're doing you're just it's going to beat you. You can't really expect the people to take that nonsense when it was absolutely unnecessary. There was no reason whatsoever to shove this city into that kind of a mill rate increase. And then come back in this session and say well we'll give you back 50 bucks. Next year you're going to give them back more, but next year the taxes are going to go up again, because you can't stop parity. You can stop paving roads if you want to; you can stop collecting the garbage; you can stop having a bigger -- make the police force go smaller; do anything you like, but you can't stop the parity of those employees, and it isn't there yet. You're nowhere near it. But you kept insisting on going through it -- through with it.

Mr. Speaker, I can only speak of the place that I know best for St. James-Assiniboia. But our financial position, and I think Fort Garry, --(Interjection)-- yes, and even St. Vital, were in a position to probably hold the line on their mill rate this year because we'd been asked to by this government, and others, for a long time. And we were working to it in our community,

(MR. F. JOHNSTON cont'd) and so were the others, because taxes on real taxes have just got to be held in line until we really know where we're going. And that could have been done, but this government didn't allow it to be done. And you can't blame the city councillors, the commissioners, or anybody, because take a look at the budget and see what's been pared out of it. You've pared services to people out of that budget, a lot of services. But no, no, you're going to have your parity. Everybody on that side stood up and said this was marvellous, they were working for it for years. --(Interjection)-- That's right. That's right. --(Interjection)-- That's fine. Who is standing here speaking? --(Interjection)-- Yeah. Well I'll tell you, you can't . . .

MR. SPEAKER: Order.

MR. F. JOHNSTON: Mr. Speaker, you can't do that to people; it wouldn't have happened to them; it's your responsibility, and you're going to have to do something about it.

MR. SPEAKER: The Honourable Member for Fort . . . Order, please. Order. Order. The Honourable Member for Fort Rouge. Order. The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, on a different subject, I rise on a grievance to protest that wretched treatment which this government is inflicting on the disadvantaged and dependent people in our province. The deterioration of the services administered by the Department of Health and Social Development is almost beyond belief, and can only reflect a grave lack of leadership, and this one at the top level. The example set by the Minister of a department by way of enthusiasm for his job, self-discipline and faithfully accomplishing the tedious things like acknowledging letters, returning phone calls, meeting with delegations and soliciting the views and ideas of others in the community, just generally respecting other people, permeates the bureaucracy and affects the attitudes, efficiency, and the integrity with which the work is carried out. This attitude is sadly lacking here. Almost daily we overhear, have brought to our attention, extravagances, wastefulness and misuse in the social allowances area, indicating that the purse strings have been loosened and that serious errors in judgment have occurred. There are tremendous contrasts in application of The Social Allowances Act from laxity bordering on profligacy in the use of public funds, to the meanest and most miserable amounts of aid. Amendments widening eligibility have accounted for much of the increased spending, and the lack of enforcement officers to check on abuse or misuse, until a month or so ago when Professor Barbour was appointed as a one-man commission to investigate welfare reform. Now there seems to be some panic in the department and there have been clamp-downs which in some instances have been punitive and unfair in their application.

Earlier in this session I drew attention to the amounts of money spent on taxis in the Camperville area. Public Accounts showed an amount of about \$40,000 spent during the last fiscal year. Since the population of the Camperville area numbers something like 1,200 people, some questions were in order. Directive issued since states that a person receiving social assistance may use a taxi for emergency health reasons. That is, for going to visit the doctor or the health unit. He may have the authorization to do so by voucher beforehand, or he can make the trip, pay for it, and then be reimbursed. There is nothing wrong with this provision unless, and until it is abused. It is an open-ended system with no ceiling on expenditures and so it is vulnerable. My inquiries revealed that the round trip from Camperville to Dauphin to the health unit cost between \$40.00 and \$50.00 per round trip. One woman had through thoroughly bad organization on the part of everyone concerned made three such trips in one day . . .

A MEMBER: Three trips a day at 40 bucks a shot?

MRS. TRUEMAN: About \$150.00. As soon as questions were raised in the House there was a crackdown, an indiscriminate crackdown everywhere. One of the victims was a young lady in a wheelchair who had been able to take a taxi once a week to go to a meeting of an association of people in wheelchairs who were developing a recreational program. I expect her pleasures are few. Now her taxi money will have to come out of her annual \$150.00 special fund which is to cover things like furniture, or larger pieces of clothing, and so on.

Undoubtedly, Mr. Speaker, for residents of remote areas, such as Camperville, there is a need for access to services, especially medical services, which are available only in larger centres. One bus a day each way is not enough. Perhaps the Minister of Health and Social Development should note that the Minister of Industry and Commerce is very anxious to sell buses. Perhaps the people in the Camperville area if they had even a small bus could run a more suitably scheduled service several times a day. For those with special needs such as old people, the crippled, and children, special considerations must be made and good judgment

(MRS. TRUEMAN cont'd) applied rather than arbitrary clamp-downs.

As I have mentioned, new categories of eligibility for financial aid have been added in the last two years.

(1). A program of student aid to help a person who is undertaking academic or technical vocational training and has insufficient income to meet the basic necessities for himself and his dependents, if any.

(2). Assistance for unmarried women with their first child. Previously aid was available only with a second child.

(3). Families of prisoners who are incarcerated for three months. Previously they were eligible after twelve months.

I'm sure there are many worthy applicants in these groups but the public sees the picture differently. They may approve of helping a fellow stay in school but disapprove of making it possible at age 18 for him to move out of a family home and have his own pad at public expense. According to an Order for Return filed last year 2,906 students were granted aid from July 16th, 1970 until April 30th, 1971 at a cost of \$2,718,000 --(Interjection)-- almost three.

In the Throne Speech this year it was stated, "You will be asked to authorize considerable revision and expansion of the student aid and bursary program". A woman whom I won't name phoned me some time ago to say that her son had applied for a loan of \$2,000 and was given the money instead with no repayment required. The mother who had been brought up herself on welfare with a sole support mother, said, "Mrs. Trueman, this isn't right!". He didn't ask for a gift. He asked for a loan, and now he just laughs at them.

Mr. Speaker, administering social assistance programs requires a lot of mature judgment. We have seen instead a giveaway program which would make it appear that the taxpayers' resources were unlimited. Paradoxically not only are the recipients able to abuse the system, but the government is able to abuse those unfortunates who must depend on them. The department doesn't seem to be able to do anything right. I cite the case of a young unmarried mother who has elected to keep her child. The distress which this girl experienced has resulted in emotional disturbance which has required some psychiatric care. The child at the age of two years was not talking, and was not toilet trained, and had also for some time received care at the child development centre of the Children's Hospital. The mother wanted to finish high school, that is Grade 11, so that she could take a course at Red River College and then be able to look after herself and the child by the time the child would be in school. The City of Winnipeg Welfare Department agreed to send the mother to a three-months' upgrading course so she could enter Grade 12 in the fall, and they assisted by providing care for the child in a group setting. Both mother and child have improved remarkably, and the mother was receiving very good grades in school. However with one month to go in the upgrading course they were transferred from municipal to provincial assistance. The mother was promptly informed that she could no longer go to school and there would be no money for the child's day care. Everything that was constructive in their lives was to be cut off. It's a credit to the mother's improved stability that she phoned the Member for Fort Garry and myself to see what we could do. Meanwhile a psychiatrist, a social worker and the child psychiatrist at Children's Hospital are appealing to those higher up in the hierarchy. Part of the injustice of this situation is that the decision to terminate aid was made by a mysterious worker two stages higher up in the hierarchy whom the girl has not even met. Yet he can decide that this girl is to remain on welfare probably for the rest of her life. Such shortsightedness is regrettable. There is such uneven application of the rules of eligibility; while this girl gets such a negative response others are treated most generously. Her case is to be reviewed and she hopes the decision may be reversed.

Regarding the expanded program of assistance to unmarried mothers, this is a real incentive program. Now a girl can leave her family and move out into her own quarters at public expense. The department now has a policy which permits aid to continue if a common-law relationship is stable, so her boyfriend can move in, he may be the child's father, or not, he may be employed but this does not affect the amount of assistance. He is not required to contribute to the family's need, upkeep. If he pays a little rent it may be additional income for the mother and may possibly not be reported. In effect the incentive is not to marry since marriage would make the man responsible for his family and his income would be taken into consideration before levels of assistance were determined. To get married might reduce this family's income by 200 or so dollars a month. It's when people observe this sort of thing that they feel the system is abused and their resentment against all welfare recipients grows. The statistical supplement of the Department's annual report showed a 16 percent increase last year in unwed

(MRS. TRUEMAN cont'd) mothers - 1227 of them in Manitoba. Surely this indicates a greater need for what is termed "family life education" in the schools. Ignorance and irresponsibility in sexual behaviour exacts a high price to the individual and to the community.

I would like to speak now about the actual allowances received, the so-called benefits. There is one fellow who is a regular visitor in our halls, who has a genuine anger and resentment against a system which he feels is abusing him. My research indicates this is indeed so. This man is unable to work because he has a heart condition. His wife has part time employment as a waitress. On City of Winnipeg welfare this man received help with his necessities, including his rent and utilities. He has been transferred to the province after the statutory three months. The following is a budget as established by the province. "We wish to inform you that your application for social allowance" and I'm quoting the letter which he received from the Regional Office. "We wish to inform you that your application for social allowance has been approved and that an allowance of \$32.82 per month has been granted to you effective April 1, 1972. The amount of your allowance is the difference between your income and your expenses. You will receive a Medicare card which will entitle you and your dependents to health care under the plan. A pamphlet explaining Medicare benefits will accompany your card. Your budget is established as follows: Rent \$50.00; utilities \$7.00; fuel \$15.00; food \$63.80" - for two people, Mr. Speaker, that's about \$1.06 per day per person; "Clothing \$22.50 and this includes \$7.50 included for work clothing; personal \$24.00; Household \$4.00". This man's total budget then is established at \$186.30, less his wife's earnings of \$131.48, less utilities and fuel, there remains a supplement from the province of \$32.82. The letter goes on to say "while you are in receipt of an allowance it will be your responsibility immediately to advise us of any change which will affect the amount of the allowance you receive." I want you to remember that well, Mr. Speaker. "These changes will include any change in address, any change in your income or your expenses, or any change in your household membership or living arrangements. Also you are responsible for your own rent and would you please send in your utilities and fuel receipts as soon as possible. Thank you."

The provincial supplement is \$32.82; the man's annual income is \$2,235.60, Mr. Speaker, the City of Winnipeg Welfare Department has adopted the philosophy, or policy, that a person who is working deserves to live a little better than one who isn't. Therefore in supplementing the income of a wage earner, they make an additional allowance. When I was a member of city council it was \$25.00, and I understand that has now increased to \$50.00, which is allowed before the social allowance is reduced dollar per dollar earned. It is my understanding that the province has a similar policy allowing an additional \$20.00 before reducing the budget dollar per dollar. This is an incentive to work. After all, if there is no additional benefit why work? But this man does not receive that consideration, perhaps on the technicality that it's his wife who works. Their budget is reduced dollar for dollar - he is not getting what he is entitled to.

He would be considerably better off on city welfare. In fact an enquiry has been made and we understand that he would be receiving something like \$100 more a month if he was on city welfare. Now if he was 65 years of age instead of 61, and was in receipt of old age pension, his \$80.00 per month, plus his wife's net earnings, would yield \$211.48, an improvement of \$25.18. And this figure, Mr. Speaker, may be even further improved by a recent federal announcement regarding the Old Age Pension.

Well let's see how his budget of \$186.30 would compare with the benefits in other provinces. There are several publications where this should be possible to determine quite easily. Actually the available literature is very vague. I think they are all rather ashamed to publish their welfare rates. Exact comparisons are impossible. Newfoundland however allows board and lodging not exceeding \$300 a month if that person is ambulatory, plus up to \$2400 in any one year towards the cost of house repairs to persons who own their homes. Nova Scotia is up to \$100 a month for a disabled man. Ontario, there a couple with other income get up to \$264.00 a month. Alberta and British Columbia are both very bad and lower than Manitoba.

Mr. Speaker, it is interesting to compare this man's budget with the poverty lines as they have been established. The following figures are for two people. In 1961 the most widely used poverty line figure was \$2500.00, that was in 1961 - he gets less than that. In 1967 Statistics Canada placed the poverty line at \$2900; 1968 Statistics Canada \$3,000; 1969 Statistics Canada and the Economic Council of Canada \$3,157.00; 1970 the Senate Committee on Poverty \$3,860.00. Mr. Speaker, remember this case that I've cited gets \$2,235.60. The Social Service audit, which was a study of our own community, did not give figures for a couple.

(MRS. TRUEMAN cont'd) When the present government came into power in 1969 the outgoing Minister of Health and Welfare, Dr. Johnson, emphasized to me, and to the Member from Inkster who was taking that portfolio over, the need to increase the rates of assistance. The preliminary studies had been done and accordingly rates of assistance were raised on October 10, 1969 by regulation. In spite of the increasing cost of living, those rates of assistance have not been adjusted since 1969. The consumer price index has shown a marked increase according to Statistics Canada from May 1969 to December 1971 food had risen from 124.1 to 134, an increase of 9.9 points, or 8 percent. Clothing rose from 130.1 to 138.6, an increase of 8.5 points, or 6.5 percent.

Well, Mr. Speaker, the bureaucracy that administers the social allowance program meanwhile has had a five percent increment every year, plus adjustments based partly on the increase in the cost of living, 7-1/2 percent in 1969, a further 6 percent in 1970, 7 percent in 1971, and 7-1/2 percent in 1972. This makes a wage increase total in each year as follows: 1969, 12-1/2 percent; 1970, 11 percent; 1971, 12 percent; and in 1972, 12-1/2 percent. And of course the MLAs who set the rate received a 50 percent increase in pay last year. Well so much for the government - I don't set the rates but I did get the raise.

So much for the government's concern for the poor and the powerless. The gap between the rich and the poor widens. This government is completely unrealistic in its assessment of poverty in this province. I recall when they first gained office hearing them say that something like 40 or 44 percent of the people in the province were poor. The report "Poverty in Canada" gives an overall poverty rate of 25.1 percent, and Dominion Bureau of Statistics in 1968, the year before they came into power, showed Manitoba third in per capita income with a level of \$2,654.00. However at the rate they are going they may soon be right. They say, "Look how we shifted the medicare costs from the shoulders of the poor". In fact, it didn't affect the poorest people. Under the Progressive Conservative government 44,000 people were exempt from their hospital premiums, and 25,000 did not pay medicare. They also received their drugs free so they didn't benefit from this loudly hailed tax shift. In fact now that the general revenues subsidize the cost of health care, they probably are contributing through such taxes as the sales tax.

Well then the government says "Look how we raised the minimum wage". Well that doesn't help the unemployed.

Well then the government says, "The new school tax rebate they'll benefit from that". But of course we know that in order to get the maximum from that plan one must have a low income and a high tax rate. The man whose case I have cited would be able to claim between 49 and 60 dollars, that is if he can find someone who will help him make out his income tax return, hopefully free of charge, then of course he is required to report any change in his income to his social worker, and his allowance will probably be reduced accordingly. That is, assuming that his landlord passes on the credit on the education tax portion of his \$50 a month rent.

Yesterday, Mr. Speaker, the Minister of Finance was asked a question by the Member from Pembina concerning the eligibility of people who live in subsidized housing. The Minister of Finance's reply, and I don't have Hansard, I'm quoting from the Tribune of May 11th, reports him as saying "that persons living in subsidized housing will generally not be eligible to receive tax credits next year under the Provincial Government's proposed education and property tax credit plan, Finance Minister Saul Cherniack said Wednesday." --(Interjection)-- Right. Well I do hope the government will allow that rebate as extra income without reducing the allowance accordingly, but with their record of meanness toward this group of people, it's doubtful. Think of all the bureaucrats that will be kept busy with the government's new system of rebate, a very complicated arrangement.

The government boasts of its public housing program yet it has had little effect on those people who live in the core areas of Winnipeg because they don't want to move away from their familiar surroundings, and neighbourhood, into suburban housing projects. So the Manitoban can publish the sort of resume that we received recently about the still disgraceful condition of housing in Winnipeg's urban renewal area No. 2 where many of the poor live.

When we think about that area the fate of the People's Opportunity Services project comes to mind. A recent news item contained a summary of the report of the Praxis Institute for Social Change. An evaluation of the unusual approach to social service provided by that agency. Efforts to save that project, until the evaluation was completed, began last September. The

(MRS. TRUEMAN cont'd) area residents and social workers sent letters and petitions to the Minister of Health and Social Development and asked for his attendance at meetings. The pattern of government response was one with which we have become familiar. No answers to letters, unwillingness to come to meetings to talk with the people and hear their point of view. The services which the people of that area valued highly and didn't wish to see discontinued were: a neighborhood law clinic, employment committee, a house finding service, evaluation of recipients housing, information on available housing, Alcoholics Anonymous, senior citizens' group activities, 24 hour counselling service, and community development, a supportive and consultative service to self-help groups.

Well one of the most valuable concepts was that of the indigenous case aids. These aids spoke several languages and could also pass on the benefit of their personal experience of being on welfare. They helped with budgeting, and to find the community resources to assist people with their problems. They had a better rapport with the social worker, and knew how to stretch the welfare dollar. The case aids wanted greater permanence and security within the civil servants and the attendant benefits and since appeal "S" was slated for phasing out, this presented the government with the opportunity to break up this valuable service. About the same time the director of People's Opportunity Services was removed from that agency and brought into the Department of Office of Research and Planning. But it is becoming increasingly evident to us, Mr. Speaker, that research and planning serves this department as a sort of senate. Anyone who may be an embarrassment to the government, may be too effective in his job, can't be fired, and is protected by the Civil Service Act, gets shoved into research and planning. Last year you remember the Minister boasted of over a hundred studies under way. Studies never surfaced within this Legislature. What a waste of talent that these people should be put into this senate.

There is one more case that I would like to cite to demonstrate the need for full investigation of the conditions under which welfare recipients live. A man, a construction worker, was laid-off before Christmas and waiting for Unemployment Insurance he asked for some welfare assistance. He received \$26.00 a month for food and \$50 for rent, and for a room at one of the Main Street hotels. He spoke of the contempt and abuse of which welfare clients were handled by employees, unsanitary conditions, and food that was not fit to eat. There should be more inspection of these hotels before they are patronized by welfare departments. It is doubtful if they could keep their doors open without this clientele.

There has been considerable talk recently by the Minister of Health and Social Development regarding requiring all able-bodied people to accept employment. I sincerely hope he follows through on this principle. The municipalities have pursued this policy for some time and have been frustrated by the Welfare Appeal Board which has overrode their decisions.

Mr. Speaker, he will have to communicate this very strongly down through the hierarchy since I think that laxity such as we have witnessed is hard to overcome but we have in this situation a perfect example of the Peter Principle. That is, that in a hierarchy, everyone if he is doing a reasonably good job is pushed on up to greater responsibility until eventually he is faced with work which he can't handle, and therefore every man tends to rise to his level of incompetence.

In business failures, 53 percent are generally due to managerial incompetence. In government the taxpayer subsidizes and perpetuates incompetence that would never be tolerated in private business. I have considered calling for the Minister's resignation but in a government riddled with incompetence and weathered to the socialist dogma, I can see no one capable of taking over. It is evident that socialism does not concern itself as much with raising the living standards of the poor as it does with trying to bring those, who by initiative and hard work have gathered a larger share of the resources, down to their level.

Well, Mr. Speaker, I am going to reduce this a little because I understand my time is running out. The Premier, on page 1035 of Hansard has spoken with some pride of a social democratic budget, and I quote, "and then they", meaning us, "have the audacity to stand in their place and say that you are not doing enough for the lower income families when we have brought in a program, a series of programs of tax shifts which taken in their totality came very close to \$100 million in shifts of tax incidents in this province. If all, if not all of it, by far the greater part of it all dedicated to reduce the burden of taxation on the lower income levels, lower income families from the middle echelon, middle income group down". He referred to us as Marie Antoinettes. How phony his position is. If he doesn't mend the way of his government he's going to have a revolution on his hands. I have worked in the social welfare field in

(MRS. TRUEMAN cont'd) this community since the 1940s and I have never witnessed such frustration and anger among the poorer people. They see a government that lacks compassion, they come to us for assistance. They are ruled by bureaucracy that is autocratic and they describe the disinterest, superiority, arrogance and even tyranny that they face.

MR. SPEAKER: Order, please.

MRS. TRUEMAN: The Minister of Finance. . .

MR. SPEAKER: The Honourable Minister's time has run out. The Honourable Member for Fort Garry - Fort Rouge.

MRS. TRUEMAN: Pardon me.

MR. SPEAKER: One minute.

MRS. TRUEMAN: One minute. Well the Minister of Finance when he presented his budget spoke piously on page 692 of Hansard. "We will strive for economic development but only where it would mean real improvement and equality of life enjoyed by all our citizens." I say to him drop the cliches, don't speak of quality of life, happiness, or liberty to those who are downtrodden in our province, for they have none.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order, please. Before we proceed I should like to draw the attention of the honourable members to the gallery where we have 35 students of the Killarney School. They are of Grade 9, 10 and 11 standing. This school is located in the constituency of the Honourable Member for Souris-Killarney. On behalf of all the honourable members I welcome you here today.

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

MR. TOUPIN: Mr. Speaker, would the previous member answer a question.

MR. SPEAKER: I must indicate that the 40 minutes of the honourable member is up and the only way a question could be asked at the present time would be by unanimous leave of the House. Is there unanimity? The Honourable Minister has left. No question.

. . . . continued on next page

MR. SPEAKER: The question before the House before these grievances was the House going to Committee of Supply. The motion was agreed to. The Honourable Member for Logan -- (Interjection) -- All right I'll call it again.

MR. SPEAKER put the question and after a voice vote declared the motion carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Schedule A.

MR. WARNER H. JORGENSON (Morris): If the Minister could give us an indication as to what the \$19,500,000 for the Manitoba Telephone System is intended for. What areas of expansion are proposed in that particular item?

MR. CHERNIACK: I assume we have now completed the Hydro Electric Board \$150 million. We're passing to the next line. The Telephone System, the unraised authority as at March 31, 1972 was 17,750,000. The proposal now is \$19 1/2 million making a total of 37,250,000. The amount to be raised for 72/73 would be the same 19,500,000 with an estimated carry-over into the following year of 17 3/4 millions. The MTS capital program is ongoing and it is just necessary to ensure continuing borrowing authority in fiscal years after 72/73, so there is no slowdown in their construction program.

And I don't know if I have any sort of itemization of breakdown of the exact purposes and I don't know whether there is anything different, well I should say I am not informed if there is any different proposal in the ongoing program of expansion of provision of services than in previous years. This is their ongoing program which I am sure is familiar to members of the House.

MR. JORGENSON: . . . the policy then is a continuation of the expansion of the dial system throughout the Province of Manitoba in those areas that do not have it as yet, as well as improvements in, and expansion into new areas. Are there any new areas in which the Manitoba Telephone System intends to expand in the coming year?

MR. BURTNIAK: Mr. Chairman, Mr. Chairman, I am sorry I don't have that particular information with me but I think the honourable member will agree with me that from time to time there are always new areas being explored, and certainly that is part of that program. If the honourable member wishes to get a list of the new areas I will be only too glad to supply him with that list sometime in the near future but I don't have it with me at the present time.

MR. CHAIRMAN: The Honourable Member for Souris-Killarney.

MR. McKELLAR: . . . give a list of all the areas or districts that are going to get dial in 72, and also the proposed districts for 1973. I think some of them have been notified already.

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. BURTNIAK: Mr. Chairman, I think that there was a list supplied. I believe it is in the report that was tabled in the House sometime ago, which I tabled, that there was a list or there was a list of the areas that will be, new areas for 1972 but not 73, and this is the list the Honourable Member for Morris is referring to, but the list for 1972 -- the areas for 1972 are listed in the report that was tabled in the House.

MR. CHAIRMAN: The Manitoba Telephone System in the amount of \$19,500,000. Passed? The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): I would like to ask the Minister if those areas that had been first established from the dial system on four digits, that if there was any intention of increasing the four digit areas to seven. -- (Interjection) -- I am talking about the -- through the Souris dial system, I cannot dial to portions of my constituency, that I have to phone the operator and ask the operator to dial through Souris. We are on four digits. Is there any intention of the Minister to increase that to a seven digit area?

MR. CHAIRMAN: The Honourable Minister of Highways.

MR. BURTNIAK: Mr. Chairman, I don't know if there is really any relevance to the question but perhaps there may be. I would assume judging by the question asked by the Honourable Member for Arthur that he is referring to direct distance dialing and that is correct, but the latter part of his question I am not prepared to answer at this moment.

MR. CHAIRMAN: Passed. Water Supply Board in the amount of \$2,376,000. Passed? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Could we get some indication from the Minister what the purpose of this \$2,376,000 is for, and what areas of the province it will be used in?

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Chairman, the specific towns or villages that would come under this program have not been designated. It would depend on the need of the community. This amount of money has to do with legislation that is yet to come before the House. There will be a new Water Services Act introduced within a matter of days which will require the amount shown here. Of the \$2,376,000 is in fact a loan to the various communities under the program which is to be announced in a few days.

MR. CHAIRMAN: Passed.

MR. CHERNIACK: Mr. Chairman, I wonder if honourable members would be agreeable. There is another item in related item which is actually the third last on Schedule C and since the Minister is here it might be helpful if Committee would agree to move that and pass that one because that's a grant and that's why it is in a separate section than Schedule A, which is alone. I think it might help Committee if we dealt with this since it is the same Water Supply Board that will be involved in it. Can we get committee consent to dealing with that now?

MR. GRAHAM: Mr. Chairman, I believe that there . . .

MR. CHAIRMAN: Order, please. Do we have agreement? Proceed with Schedule C the last -- the third last line. Grants re municipal sewer and water systems.

MR. GRAHAM: Mr. Chairman . . . wanted to bring to the Minister's attention that it is my opinion anyway that the grant for the municipal sewer and water systems is complete and separate from the Water Supply Board. It may be a program but there are two different functions. One operates under municipal jurisdiction and the other operates under provincial jurisdiction.

MR. CHERNIACK: If the honourable member doesn't want to go out of order then we will wait until we get down to it. The only thing is I've got the Minister right here now with me and I thought it would be useful to make sure that he won't be away when we get to it so that's the only point. I don't care if there is any objection we can go on.

MR. CHAIRMAN: . . . we don't seem to have agreement. I have asked the other side and all we get is protest. Now is the other side in agreement? Do we proceed to Schedule C? Grants re Municipal Sewer and Water System. Are we in agreement? Agreed. All right Schedule C. Grants to Municipal and Water Systems in the amount of 1,124,000. The Honourable Minister of Agriculture.

MR. USKIW: I simply want to explain to members opposite that this is related to the loan amount of 2.376 million in that under the legislation to be introduced in a few days there will be provisions for a total province-wide program for sewer and water services to all of Manitoba, all the towns and communities in Manitoba, part of which will be financed by grant under a formula and part by loan. The grant for this one year will be \$1.124 million.

MR. CHAIRMAN: Grants in the amount of \$1,124,000 -- passed . . . The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, before we pass that I would like to ask the Minister of Agriculture if the grants are going to be retroactive as in Bill 21?

MR. USKIW: Yes, they will be retroactive in the sense that there are 37 water supply board districts that may qualify under the formula to be announced will receive grants.

MR. CHAIRMAN: -- passed . . .

MR. WATT: No, I have another question, Mr. Chairman. Will the grants be retroactive to those farmers and communities actually that have put in their own waterworks and have paid the shot themselves, if the government is prepared to pay the 25 percent or 15 percent or whatever it is?

MR. USKIW: This program, Mr. Chairman, is designed rather for communities that are now served by the Water Supply Board and any community that wants to add to its present system, update it or otherwise, and new communities.

MR. CHAIRMAN: -- Passed. Schedule A - Manitoba Agricultural Corporation in the amount of \$8 million -- passed; Manitoba Schools Capital Financing Authority in the amount of \$10 million -- passed; Manitoba Housing and Renewal Corporation in the amount of \$55 million . . . the Honourable Member for Minnedosa.

MR. DAVID R. BLAKE (Minnedosa): Mr. Chairman, I would ask the Minister if the projects presently underway by the Public Housing Corporation, are they recommended by the

(MR. BLAKE cont'd) Board to the Minister, or just how are these various projects arrived at and the undertaking of them ?

MR. CHAIRMAN: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Chairman, the individual projects come about as a result of recommendations from the Board, the Manitoba Housing and Renewal Corporation, to the Minister. That's the initial origin of the various projects in question.

MR. BLAKE: A supplementary question. Are these projects always recommended before they're undertaken ?

MR. PAWLEY: I would say, Mr. Chairman, that I've been unable to say that every single project has been recommended prior to the initiation of the project; that is the rule, that it ought to be recommended. There are times when the Board had not met and yet some projects were commenced or started that were later ratified.

MR. CHAIRMAN: Passed; Manitoba Development Corporation in the amount of \$40, 500, 000 -- passed . . . the Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I'd like to ask the Minister in connection with this Manitoba Development Corporation funding of 40 million 500 thousand, I don't have the figures in front of me here -- what was the amount that was borrowed last year for this same purpose ?

MR. CHERNIACK: Twenty-five million.

MR. MCGILL: Mr. Chairman, then would the Minister indicate if this amount is for the additional loan capacity of the Corporation; and I ask this because I would assume that much of the loaning ability of the Corporation depends upon the revolving loans that they are able to give to applicants who in turn pay them off and the money becomes then available for subsequent loans. Now it seems to me that the input here and the increase is getting somewhat more substantial each year. Is there some of this for some other purpose, for instance the purchase of equity in additional companies or is it all for the purposes of loans which presumably are recoverable ?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Chairman, just in response to the last portion of the question, this authority would provide for both loan or equity depending on the nature of the transactions. The program -- the increase is really related directly to the CFI complex and the fact that because of the problems that are going on there the inability of the Development Corporation receiving monies from the Complex indeed it's the other way around. I have announced we are still charging them with interest charges and of course they're not only not collecting the principal repayment but they're not even collecting interest there at the present time. So that there is some fifteen and a half million that is recognized as being money that will be required in connection with the complex itself. The 25 million difference is therefore part of the on-going program and it is the intention of the Board to concentrate more on the small loans program. But the point raised by the honourable member is that there will be an expected roll-over of some monies; but I can't say that there's an appreciable one because, frankly speaking, the major amounts of monies that have been loaned out through the Development Corporation over a period of years -- and I go back beyond the three years that we've been in government -- was for very large amounts and that's obviously where we're having certain difficulties. Of course CFI is the prime example. So the 25 million is additional authority that the Corporation would have and it intends to concentrate more on the small loans aspect than heretofore.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman . . .

MR. CHERNIACK: I wonder, Mr. Chairman, if we could be informal enough -- the member asked a question, but he's not on record. He asked if it was 25 or 15. I was explaining that 15 is CFI Complex; 25 is the ongoing program.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Then, Mr. Chairman, I take it that the increasing loan to the CFI complex has continued to increase even after the receivership was put through the courts. Is that correct? There have been additional loans to the corporation ?

MR. CHERNIACK: Well, Mr. Chairman, we've just today agreed to an Order for Return which will give the information requested. But there have of course been advances made to the receiver in connection with the completion and operation of the plant, so that there have been additional advances, yes.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, then with this explanation as to why the liquidity of the loans of the MDC is not as good as had been expected does the government have in mind any ceiling on this kind of additional loaning capacity to MDC. What are we talking about here? If we're going up 25 million, 40 million and so on, where's the ceiling here?

MR. CHERNIACK: Yes, Mr. Chairman. I can't speak for -- well I can say this, that this 25 million includes monies that were expected to be committed in various projects that were being negotiated and are still in the process of negotiation; and that actually there will not be much of the 25 million other than an amount for small loans that would be available for any large undertaking. So that the question is, is there a ceiling? -- there is not an imposed definite ceiling but there is definitely a "cutback" probably is the word to be used of the extent to which the Development Corporation will proceed. I think it's the intent of the Development Corporation and of the government to aim at a solidification of the present position; I'm dealing with present issues rather than going out for more.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, then the Minister has indicated the government has no specific restrictions at this moment on the amount of total lending that the MDC can engage in.

MR. CHERNIACK: We certainly have. If we get the authority for 40 million, that's a restriction. That's clear. That's all they're authorized to have.

MR. CHAIRMAN: -- passed; Community Economic Development Fund, \$2 million -- passed . . . the Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Chairman, I wonder if the Honourable Minister would give us a breakdown on (a) and (b) under this item?

MR. CHERNIACK: Well, Mr. Chairman, the information is just as set out here. It is proposed to provide one million dollars in direct loans and one million dollars in bank guarantees for the Development Fund. I think that this was debated and discussed at the last session. It is the purpose of the Fund to assist in the development of community-operated businesses and these are mainly with the native people in the northern and other areas of Manitoba. But this is to assist the native people in establishing their own community-operated organizations; and as has been pointed out before there is a direct participation now proposed through this Community Economic Development Fund that they will be involved in the decisions that are being made, possibly for the first time.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, the local, like the Parkland Development Corporation or Westland none of these funds are allocated?

MR. CHERNIACK: No.

MR. CHAIRMAN: -- passed; Leaf Rapids Corporation in the amount of \$5 million -- passed; Schedule A in the amount of \$292, 376, 000 -- passed; Schedule B - Federal-Provincial Employment Program in the amount of \$2, 421, 600 -- passed; The Pas Special Area Agreement in the amount of \$2 million -- passed; Brandon Special Agreement in the amount of \$500, 000 -- passed; Agricultural Services Centre Agreements in the amount of \$3, 800, 00 -- passed. . . the Honourable Member for La Venendrye.

MR. BARKMAN: I wonder if the Minister responsible could give us the amount that was allocated last year.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Chairman, this is a new agreement yet to be signed with the Government of Canada, under the DREE Program known as the Agricultural Service Centres agreement which will provide as an additional input towards the province's overall sewer and water program that will be introduced in a matter of days. This will be a federal part of the program amounting to some 10-odd million dollars of which some has already been utilized in the Brandon Special Agreement of last year. There is remaining somewhere in the order of seven point some odd million dollars of which 3.8 will be in loan capital. Now the province simply is going to guarantee to the Government of Canada that those communities using these funds will repay the loan. It's a backup to the communities on the part of the province.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. BARKMAN: Mr. Chairman, on this same point. Are any of these funds allocated for the Veterinary Services Clinics that are around the province?

MR. USKIW: The Water and Sewage Services program that will be introduced in a matter of days by legislation, Mr. Chairman.

MR. CHAIRMAN: -- passed . . . the Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I wonder if the Minister would give us a breakdown on what the cost to the Federal Government and the input of the Provincial Government . . .

MR. USKIW: No, the 3.8 million dollars as shown here is a Federal program but the province is involved in guaranteeing to the Federal Government that the communities will indeed pay the debentures or whatever it is, whatever way they finance the program. So we are responsible in providing the guarantee on behalf of each town to the Department of Regional Economic Expansion which represents 3.8 million dollars.

MR. WATT: Well, Mr. Chairman, could I ask the Minister then -- there actually is no input from the Provincial Treasury or the Provincial Consolidated fund?

MR. USKIW: Mr. Chairman, I think that the members would like to know that in addition to the 3.8 of loan capital there is going to be a similar amount in grants available from the Regional Economic Expansion Department.

MR. CHAIRMAN: -- passed; Schedule B in the amount of \$8,721,600 -- passed; Schedule C - Community Colleges; Frontier School Division; Universities in the amount of \$18,244,500 -- passed . . .

MR. MCKENZIE: Mr. Chairman, could I have a breakdown of the item of \$333,200 at Community Colleges please?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: \$333,000 -- is that the item that was asked for? Well there's allocated for the Red River Community College \$221,000; for the Assiniboine Community College \$168,500; for the Keewatin Community College \$52,000; then for Special Programs some \$389,000 -- I can itemize those if that's wanted -- for a total of \$830,800.00. But there is available from the previous year an unused authority of \$497,600 thus leaving a balance required of \$333,200.00. So that most of the plan is already authorized, a little over half, and the balance is required here.

MR. CHAIRMAN: -- passed; Frontier and Resource Roads in the amount of \$10 million -- passed; Churchill Townsite Redevelopment in the amount of \$11,850,000 -- passed; Parks, Furniture Plant, FRED, Manpower in the amount of \$150,000 -- passed; Winter Works and Emergency Programs in the amount of \$6 million -- passed . . .

MR. MCGILL: Mr. Chairman, on that Winter Works Program does this include all the PEP Programs?

MR. CHERNIACK: . . . Mr. Speaker, I believe it does. It's for the accelerated winter -- well a part is required for the ongoing commitments that have not been accepted yet because of the lack of money. The balance will be available for an accelerated Winter Works Program next winter if necessary; and naturally we hope it will not be necessary, but I think that the Committee would like to see that it's available.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I notice that in last year's Estimates of the Municipal Affairs Department there was an amount included for a Winter Works and Emergency Program but there is no amount this year under Municipal Affairs. Under what department in the Estimates will we have an opportunity to discuss these PEP Programs and so forth.

MR. CHERNIACK: Well, Mr. Chairman, my opinion is that it would be under Municipal Affairs. I think that the honourable member is entitled to some sort of a commitment, an undertaking, and I think the undertaking should be that it will be discussed. I'm pretty sure I'm right that it would be under Municipal Affairs, because it came under that Minister, so obviously when you are dealing with the salary of the Minister, that would be the place even though there is no amount shown; and I'm prepared to commit the government to agreeing that it be discussed under that item or if not under that item then under another item which will be indicated. I trust that will be a satisfactory commitment. The Minister isn't here, but I'll try and remember - I'm sure the Honourable Member for Brandon West would remind me of my undertaking.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Chairman, I would just like to ask the Minister of Finance in this particular item under the \$6 million where he states that a number of PEP projects that were not accepted because of insufficient funds from the Federal - has he reviewed the whole situation sufficiently well to state whether all these PEP programs that have been turned down will be taken care of under the provincial jurisdiction?

MR. CHERNIACK: No, no, Mr. Chairman - this does not involve Federal programs, and if they have been turned down by the Federal authority they have been turned down. There are certain projects that were proposed for the provincial program which as I understand it are waiting to be approved; if they are turned down, I would assume they are turned down -- they could be reviewed, but that doesn't mean that we would bring back those that were turned down in order to give it to them because I assume they were evaluated at the time and turned down for sufficient reason. If however, the money becomes available and the need and the advisability of the program is still there, then they can be renewed. I hope that answers the question

MR. CHAIRMAN: -- passed; General Purposes in the amount of \$45,000,000 passed . . . The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, last year the Minister was able to give us a breakdown of the amount for General Purposes and it would be very helpful to us at this time if we could have some breakdown of this 45 million into various projects.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Yes, Mr. Chairman, and shall I for the record repeat -- I know honourable members are aware of the fact that the item for General Purposes is an item which indicates the programs which we hope we can carry out, depending on firstly the need to expand the economy and actually accelerate some programs. Provision is here to make it possible so it doesn't mean that we intend definitely to do it; I'm saying that as a preamble. These are -- it's dependent on the need to spur the economy; it's dependent on the ability of the architects and engineers to get the work in progress; and therefore I felt as a preamble to say that this is a statement of possible work that could be brought in and the authority provided for that purpose.

Now I have it in some detail and possibly what I should do, Mr. Chairman, is give it according to departments and then if honourable members want to ask specifics within the departments we can come back to them if that's satisfactory. In the Agriculture Department 384,000; Attorney-General 93,000; Consumer, Corporate and Internal Services 250,000; Cooperative Development 500,000; Education 1,176,000; in Health and Social Development 12,974,000; Highways 8,215,000; Mines, Resources and Environmental Management 1,739,000; Public Works 18,843,000; Tourism, Recreation and Cultural Affairs 3,173,000; and -- well the next item is listed Emergency Capital Projects Fund which would be a general item, 3,687 million, which brings us to the gross total of 51 million. We have a carry forward of authority of 6,036,000 to round off the figure at 45,000,000. I don't know if I went too quickly on that but I'm prepared of course to go back and deal with any particular item, and I don't know if you want to sort of order about it.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Yes, Mr. Chairman, perhaps now we could have the detail of the non expended portions of last year amounting to 6 million which are being deducted.

MR. CHERNIACK: I wonder if it's possible to get detail of the non expended, because it's not expended. I mean I can't relate it to something because it's an authority that has not been used.

MR. MCGILL: Well, Mr. Chairman, the Minister indicated some specific projects last time that were not carried out. Could we have those specific projects for which there were allocations listed?

MR. CHERNIACK: Yes, Mr. Chairman, yes, yes I think I can give the honourable member some assistance on that. I'm not sure that the figures will add up quite right, but for example the one large item was the Magistrate's Court Building where some \$2 1/4 million was set aside and it still is not gone ahead with; and the Psycho Geriatric Centre of one and almost three quarter million dollars not proceeded with; Manitoba School for Retardates, special program there of 960,000 not proceeded with; St. Amant Ward \$1 million; Brandon Correctional Institute 1 1/2 million; and The Pas Correctional Institute 2 1/2 million; the Community Economic Development Fund that I spoke about earlier of \$1 million was not spent out of that authority, that's why we brought it back in again. Those are the large items. Now I don't know how they total up exactly but I would think that they may come fairly close. I haven't totalled it up but I think the Honourable Member for Brandon West -- did he miss any that I read? -- (Interjection) -- Well that's quite possible, that would mean of course that certain work was done that was not mentioned in the prior.

MR. MCGILL: Mr. Chairman, while the Minister is consulting one other project that was specifically mentioned last year was \$150,000 for ARM Industries in Brandon.

MR. CHERNIACK: That money and more because last year we set \$150,000 now we are showing \$200 as set aside for that purpose. We are not showing it as uncommitted monies. We are still showing it as monies that are held for that purpose. The negotiations as far as I know have not yet been finalized, so I'm not saying that it's definite but I am saying that the monies provided for ARM Industries are still provided and sitting under the previous authority and have not been wiped out, that's why I didn't refer to it.

MR. MCGILL: Mr. Chairman, then since we have around 10 or 11 million here roughly, and you are only deducting 6 million, that would indicate that some of these projects are not cancelled completely but some are. In other words 6 million are and some are just being held and are going to be proceeded with.

MR. CHERNIACK: . . . Member for Brandon, no Mr. Chairman, we've actually done other work that was not projected last year under the General Purposes. Let me take an example relating to Brandon, \$1.3 million was granted to Keystone Centre — that was not discussed last year but it was under the General Purposes authorized and was done. Does the Member understand then that although it was not projected as one of the list that might have been done in the last year, it was still done under this authority; and 1.3 million was used for the Keystone Centre in Brandon and would therefore have replaced one of the projects that I may have referred to -- or come out of the projects that I referred to as not having been committed. There are others.

MR. MCGILL: There are no specific deletions from this list then, Mr. Chairman.

MR. CHERNIACK: Well Mr. Chairman, let me say again that the list is a general list of intentions -- and when you say there are no specific deletions, the money can still be used for any of those purposes; if indeed the engineering works or the need within the community shows itself to change in priority, then they can come back - they are not eliminated, they just have not gone ahead with, and therefore the new authority will just make it possible to go ahead with them if the time is right and the projects are ready to go.

MR. MCGILL: Mr. Chairman, then perhaps we could have some breakdown, further breakdown under departmental figures here; we have in Health 12 million nine I think; Public Works 18 million eight -- some of the larger ones it would be helpful to have some breakdown.

MR. CHERNIACK: Of course, Mr. Chairman. In Health and Social Development there is -- and again I can break it down further but I think this is the best way to proceed. For the Brandon Hospital there is \$975,000 set aside; for the Selkirk Hospital for Mental Diseases there is \$1 1/2 million -- I hope members will pardon me if I speak in round terms and not bother to give the thousands -- in the Manitoba School for Retardates \$1 1/4 million; Adult Correction Services which takes in Headingley, Brandon, Northern Facilities, Minor Projects, close to \$3 million almost \$3 million; St. Amant ward \$642 million; Provincial -- well, that's a small item -- Pardon? -- you get used to talking in millions, you get lost somehow; the old Grace Hospital there is 2,340,000 set aside for that; Child Psychiatric Centre 2 million; General 300,000; Maitland Steinkopf Memorial Community Residences \$100,000; Personal Care Homes 680,000; that should add up to approximately 13 million. Was I reading too quickly, I'm sorry. Shall I go back to any part of it, Mr. Chairman?

MR. MCGILL: Steinkopf . . .

MR. CHERNIACK: Oh that's one of the last, Maitland Steinkopf Memorial Community Residences \$100,000. Honourable Members may know -- it has been announced that certain land has been set aside in Tuxedo in the Fort Osborne area for residences for children who are mentally disabled; and there is a campaign going on where certain monies will be provided publicly, and the province is providing 100,000 for that. And the last item that the Honourable Member obviously didn't get was Personal Care Homes 680,000. Shall I move on to Highways?

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, Emergency Funds as I understand it 3,867,000 under the same item that we were just discussing, I am wondering if in fact that we could continue to pursue the debate regarding those farmers that have experienced losses behind the Shellmouth Dam with utilizing some of those funds that are lost.

MR. CHERNIACK: Mr. Chairman, now we are hopping but I think that the Member is referring to the last item I read, Emergency Capital Project Fund, is that the one he's referring to? Well, I hadn't quite finished responding to the question from the Member from Brandon West. Possibly I could continue and then I will reach that anyway.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, if you go on to Highways, perhaps you could give us somewhat of a breakdown of the 3,173,000 on Tourism and Recreation. I believe you had a figure of 3 million . . .

MR. CHERNIACK: Well let me come to it. I really -- I went back at the request of the Member from Brandon West and now I'm reviewing again, so I'll come to that one. I was going to stop on Highways if members wanted a breakdown of that and that's quite brief. The Highway Garage in The Pas 60,000; Highway Garage in Thompson 300,000; Highway Garage Winnipeg East 1,345,000, and then the Highways Construction Program of 6 1/2 million. Members will remember that it became the policy and I don't remember just when, but there is a policy that there be a capital authority so that the department is able to commit work for the following summer at the end of a fiscal year so that it can start work earlier and ask for tenders at an earlier date. I don't really remember if this was started by the previous government -- the Honourable Member for Lakeside thinks it might have been -- well in any event I know that that was discussed at length in previous years. That's what the 6 1/2 million is; so that's Highways.

The next big one is Public Works. There is a provision generally for parking facilities of some close to \$2 million; there is \$4 million set aside for a Convention Centre; there is the Legislative Building area complex in electrical upgrading -- members may not know it but it is considered that this building needs some substantial upgrading in the electrical area -- the Provincial Lab, there is a provision of \$600,000; Provincial Building, 405 Broadway, which has been announced and is proposed to proceed with -- there is some five and three quarter million dollars for that; Highway Services Building Annex a million dollars; Provincial Buildings, rural and northern a million dollars; Acquisition of Property a million dollars -- (Interjection) -- well that would be in whatever areas it is foreseen would be usefully purchased, just as in previous years and over a number of years property has been purchased right in the vicinity of this building for the purpose of holding.

That's certainly a good investment, but it means that just as in the case of the proposed building on Broadway and Kennedy the land was purchased I don't know how many years ago by the previous government and it is now being put to use. So it's just a general item which may include outside of Winnipeg of course where it is foreseen that there may be the need for public purposes.

Oh, then Tourism and Recreation? Some \$3 million. The Gimli Recreation Facility 900,000; Tourist Recreational Facilities \$1 million; Cultural Facilities \$1 million; and that adds up pretty closely to that three million. The Emergency Capital Projects Fund is the one referred to, and the Honourable Member for Roblin asked if that could be used for agricultural purposes to help to pay for damages. I would not say that this is the proper provision, Mr. Chairman. This is for Capital Works Projects and therefore is not in the nature of the matter raised by the Member for Roblin.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, the Minister made reference to a garage in Winnipeg East that was I think quite a bit over a million dollars. I was just wondering could he explain, over a million for a garage sounds like an awful lot of money. Is there any specific reason why that is so costly?

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: Well, as I understand it it's an awful lot of garage that's required for the servicing of the vehicles of the government and that frankly I don't know whether all the work has been done here the Kennedy Street garage; I believe not, and the proposal is that there be a new garage complex built to take care of the needs for the maintenance of government vehicles. As I recall it that garage which was built maybe 20 years ago ran what? Do you remember . . . ? About half a million dollars I think. It's the garage right on Kennedy here that we're all familiar with, and that's some many years ago.

MR. EINARSON: I was wondering, Mr. Chairman, is there any possibility that Autopac would be connected with this at all? I mean in the way of repairing or . . .

MR. CHERNIACK: I am not aware of any connection at all between the two.

MR. CHAIRMAN: Item passed; Schedule C in the amount of \$92,368,500 -- passed.

MR. CHERNIACK: Mr. Chairman, now that you've completed Capital Supply . . .

MR. CHAIRMAN: The Member for Lakeside.

MR. ENNS: . . . I didn't hear . . .

MR. CHAIRMAN: The final total? That's not required.

MR. ENNS: I'm sorry, Mr. Chairman, I wonder then if I may be permitted a few remarks. I inadvertently waited. I assumed that you would be calling the final total of \$393,000,000 of Capital Supply for passing. If I'm out of order then I'd be out of order but . . .

MR. CHERNIACK: Would you -- just to clarify on the matter of procedure -- now that we've completed the detailed portion I believe there has to be a resolution for the total amount of Capital Supply and I presume it's debatable. Is that right? -- (Interjection) -- Well, I'm told that it's already completed so then -- (Interjection) -- I see. All right. I want to see if we can accommodate each other on this. Apparently, according to the Clerk of the House we have completed this now. The procedure would be in relationship to Capital Supply that we report it out of this Committee to the Speaker and then we go back to Ways and Means where the resolution is presented for the raising of the Supply. Then as I recall it we go back to the House and report from Ways and Means and then normally I present first, second, third reading of the bill. I don't know whether leave is required or not, but possibly it is. Therefore it was suggested by the Clerk that we could stay in Committee of Supply until about 8:30 or a quarter to nine and then go out of Supply and then go into the rest of the procedure for Capital Supply. But I think, Mr. Chairman, it seems to me that if the Honourable Member for Lakeside or other members wish to speak on the general question of the raising of Supply possibly that could be done under Committee of Ways and Means and if that's the case then maybe we ought to agree to go into Ways and Means earlier rather than later. I wonder if members opposite have the same sort of inclination.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, it's not to be difficult or not to obstruct the proceedings -- there were though a few summation comments that we felt were in order at this particular time, at the conclusion of the consideration of the Capital requests before us. I am very flexible with respect to when we do that. I would hope though, Sir, that there would be some opportunity to do so and that we would not be lost in some mechanical shuffle -- that particular privilege or that opportunity.

MR. CHERNIACK: Well, Mr. Chairman I sympathize with the Honourable Member for Lakeside's desire - I'm not saying that I'm looking forward to helping him out with it, but I sympathize with him - the House Leader isn't here to create difficulties for me -- from my standpoint I would certainly be agreeable to accommodating the Honourable Member for Lakeside to make his presentation, which of course, means we can all speak -- but I would have no personal desire. I'll speak on behalf of the government and say that I wouldn't like to in any way interfere or obstruct the honourable member's desire to speak in summation and I believe this side of the House would be agreeable to it.

MR. CHAIRMAN: (Agreed) The Honourable Member for Lakeside.

MR. ENNS: Well, Mr. Chairman, my remarks are few and brief, and perhaps if we just consider them as being made to the final amount then we don't confuse the issue any further. I think, Mr. Chairman, that we have in the foregoing hour, hour and a half have indicated to you, Mr. Chairman, our intent here in the opposition benches to indeed examine the Capital Supply before us and ask what we felt pertinent questions that had to be asked. We certainly recognize, Mr. Chairman, the practice and the need for the government to have this Capital Bill Supply passed; certainly it's a practice with which -- perhaps with the exception of the Honourable Member for Rhineland who has from time to time different opinions as to how our capital needs in this province should be handled or financed -- certainly myself, speaking as a former member of the Treasury Board, that perceived in the same way that this government is dealing with its capital supplies, we recognize the need for and the necessity for capital borrowing by any government of Manitoba.

Mr. Chairman, although there have been specific items on the capital list here; and the first one on the list, \$150 million for Manitoba Hydro, it is no secret to you, Mr. Chairman, nor to the Minister of Finance nor to any member of this Government that we have grave reservations as to how some of that multi millions of dollars are being spent -- but that's a debate of another day and it's not my position now to enter into it. By and large, Mr. Chairman, we recognize the items that we have become by and large familiar with in dealing with Capital Supply, that is the Capital Supply requirements for other major Crown corporations -- the Manitoba Telephone Service System; the Manitoba Water Supply Board, and so forth; the Manitoba Agricultural Credit Corporation - there are only two items, Mr. Chairman,

(MR. ENNS cont'd) that in summation that I would like to take some exception to and dwell briefly on: No. 1, is the question of the continuation of the public funding of the private sector through MDF as it used to be known, and now MDC, the Manitoba Development Corporation.

Mr. Chairman, I recognize how easy it is for the members of the government, of today's government to dismiss the suggestion made earlier by my Leader and by our party that we seriously question the value of the continuation of the Manitoba Development Corporation of the MDF as it was known then. It's very simple, very easy for the honourable members of the government to say, well all it is is that, you know, we don't trust you with the money kind of argument; or it was all right for us to do it while we were in power but it isn't right for you to do it while you are in power -- and I accept that kind of an argument. The truth of the matter, Mr. Chairman, is -- arriving at the decision that we have arrived at some time ago, where we take seriously into question the role of public financing in a private sector was not an easy one for the Progressive Conservative Party. Mr. Chairman, the Progressive Conservative Party certainly was within the vanguard of provinces in Canada that instituted this kind of an economic developmental tool early in the 60's or indeed in the last of the 50's. Mr. Chairman, it was hailed at that time by many other provinces and copied by other provinces, have-not provinces particularly, referring to New Brunswick and the Maritimes and so forth. However, Mr. Chairman, a critical analysis review of the statistics -- and it's with no satisfaction and no pleasure that I say this in this Chamber -- indicates that despite the massive amounts of public money raised as we are now raising 40 million in this Capital Supply, the total impact in terms of job creation, in terms of transfer of creating new jobs, we have to come to the very difficult conclusion, as the Honourable Member for Thompson says, it is in fact, peanuts.

Indeed, Mr. Chairman, the growing list of failures, failures in many instances that this government is now facing up with that we started; failures that they are going to walk into by continuing the spending of 40 millions of dollars -- and surely, Mr. Chairman, I think there's room for a kind of a non partisan appeal or approach at this particular time to seriously suggest, particularly to the Minister of Finance, that in this particular case do not do as we did, do not do as we did. Because, Mr. Chairman, it was not easy, and I want to underline this point of view - it was not easy for my Leader to suggest wrapping up or folding up the MDC. I know that all kinds of fast quipped political, you know, motives were attributed to him for having said that. I want to assure you, Mr. Chairman, that it was the subject matter that caused perhaps one of the major concerns that we had in caucus prior to coming to this Legislative Assembly. It's a question that we dealt with and wrestled with only after we took the time and indeed hired, as we have to hire now that we are in opposition, the staff, the kind of staff that we could hire to find out to give us the statistical information that showed us - now just what has happened in the ten years that MDF has operated in terms of new job creation; in terms of the changing percentage of industrial activity versus agricultural activity and so forth. And while, Mr. Chairman, not for one moment suggesting that there haven't been some major and most worthwhile projects that were brought to this province that were successful and that are successful today we, Sir, make a very serious and straightforward suggestion to the Honourable Members of the Treasury Bench at this particular time that in lieu of the experience of ten years of experience of public funding in this manner through the private sector, we question its value.

We question its value not only because we think that the politics of it is wrong at this particular time, we question it on its performance. Mr. Chairman, the roll call of failures cannot be ignored, cannot be ignored. And what it tells me, Mr. Chairman, as a free enterpriser, as one who believes in the freedom to enterprise, is that you do not create artificially circumstances or situations in the hope that they can then succeed. Mr. Chairman, far more important is to create a general climate; a tax climate, an incentive climate, a climate where people with a will to entrepreneur can entrepreneur. That, Mr. Chairman is far more important in my judgment at this particular time than the all too often artificial stimulation through the means of public funds to create industries -- as politically desirable as these are from time to time. And I recognize the pressures that any government, we as government, you as government - come under from time to time when you are faced with the ultimatum, well this plant is going to close - this plant needs help. You are not going to have 150 men out of work; Mr. Chairman, all too often, all too painfully often the result is simply putting off today what's going to happen tomorrow. So, Mr. Chairman, I make that as a general comment on the

(MR. ENNS cont'd) passing of the Capital Supply at this particular time, that although the question hasn't been raised recently, we did not -- I just wanted that underlined that the government at this particular time should be aware that the decision that was made public sometime ago at the outset of this session -- in fact, I think even before the session by the Leader of the Opposition -- that we have grave concern or question, particularly in terms of our priorities today, the continuance of these kinds of capital allotments in this particular area.

Mr. Chairman, the other area that I wanted to discuss in the next minute or two is the manner and way in which this government chooses to put forward a massive amount of money, some 45 millions of dollars for capital into what they call general purposes. And I believe the Minister, in his initial introduction of this item indicated, well we didn't really know exactly what we are going to spend this money - it would be contingent upon needs as they arise. He did break down some details in some areas, Mr. Chairman, and here's where I am going to break up the lovely afternoon and the rapport that I've had to date with the Minister -- I would have to call this a massive \$45 million slush fund, election fund, for the NDP party. Walking as we are, or coming as we are close to an election year, to set aside this kind of money with so little detail -- and I say with so little detail, Mr. Chairman, in the same set of estimates that we have before us we are prepared to list in detail the \$196, 000 for the City of Winnipeg; the \$175, 000 for the Rural Municipality of Springfield; \$500, 000 for the special agreement at The Pas; we set aside, we single out community colleges under Schedule C that will receive \$333, 000 of capital. We single out such items as the furniture plant in Selkirk under FRED agreement which will get \$150, 000 through Federal Manpower for capital. Then we leave undetailed, uncommitted, that is specifically, \$45 million of capital authority. \$45 million of authority that this takes onto itself to be in a position, Mr. Chairman, to respond particularly to those political needs as they arise as we approach election time. Particularly in those areas of tourism and recreation where an extra \$500, 000 may save a seat, or hope to win a seat. Where, where, where an extra \$100, 000 or a million dollars may make an organization, a community happy.

Mr. Chairman, I don't argue with those things that the Honourable Minister of Finance detailed. If they are going to set aside a million dollars for the health of the mentally disabled children, why not list it. Why not commit the government to it, do it. We list \$500, 000 for a parts plant in Selkirk, then list it in the same way. Or, Mr. Chairman, is it that the government chooses not to have it's hands tied in this way? Is it, Mr. Chairman, that the government chooses to be in a position to respond, if properly asked, and if properly approached, and if perhaps proper assurances are given from the other direction that something will in fact and can in fact happen, if consideration and support is given to the present government. That, Mr. Chairman, is how I read the \$45 million listed in this general way and I criticize this government, Mr. Chairman, for that, Mr. Chairman, and we've experienced it. Because, Mr. Chairman, I don't know what the situation is -- the Minister of Agriculture isn't here, I would imagine that by the next election time we will have another dollar or four dollars acreage payment for all farmers.

I don't know what they're -- I notice, Mr. Chairman, that the government today is unable to tell the people of Wolseley what's going to happen to the old Grace Hospital site, but he's got a million dollars tucked away in here that says at the right time, his candidate, Mr. Schroeder, will announce what's going to happen no doubt. -- (Interjection) -- Mr. Schroeder will announce what will happen and I object, Mr. Chairman, to be voting capital supply in that way. And, Mr. Chairman, I am just talking individual cases. We are talking about \$45 million. But \$45 million that we are passing in this way.

Mr. Chairman, now that the -- you know we've got \$8 million there in roads. You can make a lot of promises in many different towns and communities with \$8 million worth of authority at election time.

Well, Mr. Chairman, Mr. Chairman, I believe that for a government, and for a Minister who takes pains, who took the pains to list the capital requirements as he has listed them 150 for Hydro, 90 million for Telephone System, 2 million for Water Supply, 2 million for Community Development Projects, 2 million -- down the list, and then we come to a general purpose item of \$45 million, which the Minister by his own admission says will be used as the need arises, as the need arises, and, Mr. Chairman, I leave that with you, because I would assume that the need will arise. We are moving into an election year and I am

(MR. ENNS cont'd) sure that there will be many places, many places that the need will rise for the Minister and for the government to make use of that \$45 million of undetailed capital authority. Thank you, Mr. Chairman.

MR. BOROWSKI: I wonder if I could ask the member a question within this scope.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. BOROWSKI: In view of his position on MDC I wonder if he would indicate whether he would be in favour, or against, advancing further funds to Columbia Forest Products?

MR. ENNS: No, Mr. Chairman, I would not.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: I would not.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, I was not informed that this particular matter would come up this afternoon and as a result I wasn't present, I was called out. Had I known this thing would have been dealt with I would have been here, that's one thing sure, because that's one thing I do not want to miss and that is the matter of Capital Supply for this government. I feel very strongly on Capital Supply matters because I don't believe in governments going into debt, and I feel that governments should be on a pay-as-you-go basis, and this I take very strong exception to, to what is being done here today in passing \$393 million worth of Capital Supply, some of which won't be spent during this year but will carry on for some time. Not only will we have 393 million worth authorized at -- because we already have over, I think it is well over 100 million that is still unused from previous years, so that there is another big backlog already in existence over and above what is being approved here today.

There is 150 million for Hydro Electric Board, then the Telephone System. These are the two utilities that have been in existence for many years now, and we're putting in money into Hydro as though this would never stop and it seems to me that's actually the proposition that Hydro development will never cease in Manitoba that we will just continue spending money year after year, and surely enough with the high interest rates attached to these borrowings that the rates will have to go up, and that sooner or later the people in this province will experience what has been done by way of higher rates on their telephone and Hydro bills.

The next item is the Water Supply Board, 2, 376, 000. Mr. Chairman, on this particular item I certainly want to bring home some matters that were raised in our Agricultural Committee hearings during the winter months. I know for a fact that right in my home town where the Water Supply Board has brought in a system of water distribution but since then a cannery has been closed down which was the biggest user of water in the town. As a result now the consumption is way down and the rates that are being applied on the dwellers, on the users presently in the town isn't nearly sufficient to cover the cost appropriated to covering the indebtedness, the annual indebtedness, so they have to levy a special levy on taxes in addition to the water supply rates in order to pay for the water of the town.

And this is not only the case in my home town, we heard of this in the Agricultural Committee hearings up in northern Manitoba. The same thing prevailed there that people are leaving these smaller centres and as a result the problem just gets that much worse, and I am wondering what the policy is. The Minister isn't present just -- and when we dealt with his Estimates we didn't have sufficient time to go into these matters. We still don't know what this government's policy is in this connection. Will there be any equalization of rates? Will there be any subsidization of rates in that respect? Or what is going to happen? And we find now that they are going to bring in another capitalization of 2, 376, 000. For what purpose? How many towns are asking for this type of service? I don't know. Maybe the Minister did give some information to the committee on this, so that . . . can read up on Hansard on some of the items that were discussed earlier.

The Agricultural Credit Corporation, another \$8 million. Just over the last night I heard of one party going broke, bankrupt. Two farmers indebted to one hundred and eighty-five or six thousand dollars going broke and bankrupt. The municipality already received notice of it -- they being one of the secured creditors under the situation. How many of these do we have? How many are there that presently that the government is aware of that are going into bankruptcy? I think we should have notice of this. We should have been informed of this. Here too we didn't have sufficient time in committee to discuss these matters and I feel this is unfair that we as members of this House allocating funds of this type for these corporations and then not later on be informed as to what has happened, how the monies -- what is taking place,

(MR. FROESE cont'd) whether we are realizing our security or whether we are creating hardships through those Crown corporations. In fact, Mr. Chairman, I think we are bringing in socialism by way of the back door here in Manitoba through Crown corporations.

MR. CHAIRMAN: Order, please. The hour being 5:30, I am leaving the Chair to return at 8:00 P.M. this evening.