

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m., Wednesday, March 10, 1976

Opening Prayer by Mr. Speaker.

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 25 students, Grade 11 standing of Gordon Bell School. These students are under the direction of Mr. J. Michalchyshyn. This school is located in the constituency of the Honourable Member for Wolseley.

We also have 55 students of Grades 8 and 10 standing of the Lorette School. These students are under the direction of Mr. R. Goulet. This school is located in the constituency of the Honourable Member for Springfield, the Minister of Tourism, Recreation and Cultural Affairs.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Portage la Prairie.

A MATTER OF URGENCY - TRANSIT STRIKE

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I wish to make a motion.

WHEREAS the Winnipeg Transit strike has now entered its seventh week with no end in sight; and

WHEREAS the increased number of layoffs by business, the loss of retail business, and the general dislocation caused in the daily lives of many thousands of Winnipeg citizens, which include the poor, the elderly, and the students who cannot afford to own and operate cars; and

WHEREAS the increased use of cars has increased auto accidents, which in turn has increased Autopac payouts; and

WHEREAS many people are calling for the Provincial Government to supply leadership on this most important matter; and

WHEREAS the Minister of Labour has asked honourable members for their comments on his statement made to the House on March 8th,

I therefore move, seconded by the Member for Assiniboia, that the House do now adjourn to consider a matter of urgent public importance, namely, the extent of crisis created by the present transit strike and the intentions of the government to resolve the problem.

MR. SPEAKER: Subject to our Rule 27, Sub-section 2, I must allow the honourable member and each of these parties five minutes to debate the urgency of this debate. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, to begin with it may be argued that we are requesting a debate that is in another government's jurisdiction. And this may have been true some days ago but in my opinion it's no longer true because the government has already intervened in the strike by appointing a mediator, by one of the Cabinet Ministers making public statements about what either the council or the mediator should do, or lack of action by either party. So because it is now past the stage of only being in the municipal field, I firmly believe because of government actions that it's a provincial responsibility here to have clarification of the Provincial Government's actions on the matter and where we stand today.

I say also that the Minister of Labour in his statement on Monday invited members of this Legislature to make comment, which of course is debate, and then finally I say that this is the only vehicle by which this can be done. The Budget Speech has passed, there are no bills on which this can be discussed that are before us.  
--(Interjection)-- Well honourable members can give their argument later. I'm

## A MATTER OF URGENCY - TRANSIT STRIKE

(MR. G. JOHNSTON cont'd) . . . . . suggesting that this is the only way in which it can be dealt is by a debate on a matter of urgent public importance. The fact that there is a crisis existing, not for everybody we know that, but there are many people, and I'm sure members on all sides of the House will agree that there are many people in Winnipeg, an unknown number, who are suffering hardships from this strike and in my opinion it is a crisis and it deserves to be debated at this time.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, we certainly recognize the urgency and the emergency of the situation but our position with respect to the motion just offered, Sir, would be that it will necessarily have to be the Chair's decision on the question of urgency of debate of the matter. Our position I think has been made clear, and I would like to reiterate it, and that is we would be in favour of a motion to adjourn the House which would permit the government, hopefully united with the Minister of Labour back within its ranks, time to consider the situation and bring a proposal forward to this House. They would find no impediment placed in their way by this party if they were to do so. But it is an urgent situation, it is a crisis, and we would like to see some initiative taken to resolve it. That is as far as we would be prepared to go on the technical question as to the urgency of debate at this time, Sir.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, industrial disputes always take on a degree of urgency and often very early in the course of the dispute. There is no denying the fact that there is importance and indeed a degree of gravity in the situation. However, it is also necessary to point out that as recently as yesterday afternoon parties to the dispute, at least one of the two parties to the dispute was making some effort to attempt the continuation of discussion in an attempt to solve the matter among themselves. I reject the suggestion of the Honourable Member for Portage la Prairie that the appointment of a mediator constitutes an intervention inasmuch as the appointment of the mediator was on the basis that his findings would be indicative and informative and in no way constituting intervention that of a nature that would be binding.

Also a fact of the matter is that some honourable gentlemen were discussing and debating this matter yesterday, and yesterday evening on discussion of the Estimates of the Department of Urban Affairs, which includes provision for the funding of part of the cost of operation of the transit system. Some honourable members were debating it last night; it can hardly be said to be a matter of urgency that it be debated at three o'clock today since it was already debated yesterday, and no doubt will be debated later today and tomorrow.

In the meantime I think my honourable friend must surely acknowledge that any debate that carries with it the suggestion that there is likely to be as a result of the debate some imminent intervention will certainly put back, retard rather than advance the possibility that the parties directly involved may be seeking to the best of their ability to attempt to resolve this amongst themselves.

There is no precedent, my honourable friend should know, for a province to intercede in a matter involving a municipal government of this size in a transit dispute in our country's history. There have been transit disputes of several weeks duration, for example, the City of Calgary, Alberta, not all that long ago, and I am not aware, Sir, that there was any call for emergency debate implying immediate provincial intervention.

SPEAKER'S RULING

MR. SPEAKER: I thank the honourable members for their contribution. I also thank the Honourable Member for Portage la Prairie for giving me notice of this matter. I must indicate, however, that urgency of debate must come within the administrative purview of the province and that is the one precise area where this question does not fall into.

## SPEAKER'S RULING

(MR. SPEAKER cont'd)

And secondly, the fact that there was mediation or conciliation only shows concern, does not again make it an administrative matter of the province, therefore I deny the motion.

Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the Minister of Education. I wonder if he can advise the House and the public generally as to when he will be advising the schoolboards of Manitoba about the financial arrangements that they can work to in their budgets for 1975.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I hope to do so within the next week or so.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK Q.C. (River Heights): Mr. Speaker, my question is to the First Minister. He relates to the series of questions that have been asked about the repatriation of the Constitution. I wonder if he can inform the House whether Premier Bourassa has been in contact with him in connection with this matter.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I believe that the Premier of Quebec has been in communication with a number of premiers, at least he was with me and he indicated that he was going to be in touch or had already been in touch with a number of premiers.

MR. SPIVAK: I wonder if the First Minister can indicate whether he specifically requested a policy declaration from the First Minister with respect to the repatriation of the Constitution by the Unilateral Act of the Federal Government.

MR. SCHREYER: Well, Mr. Speaker, certainly the position of the Province of Manitoba has always been to favour the possibility of patriation of the Constitution. We have always lent our support to that thought. We would not prefer that it be done by the Government of Canada on its own. But on the other hand I would not want to be supporting a position of opposing that under any circumstances.

MR. SPIVAK: Yes. I wonder if the First Minister can indicate whether Premier Bourassa indicated a conciliatory position of Quebec with respect to negotiations on the repatriation.

MR. SCHREYER: Mr. Speaker, I don't feel that I'm at liberty to indicate the position of another premier, through me, Sir. If he has a position to announce, I presume he would want to do that directly to the media.

MR. SPIVAK: Mr. Speaker, by way of a supplementary. I wonder if the First Minister can indicate whether it's his intention to communicate to the Prime Minister with respect to the public announcements that he's made in connection with the Unilateral Act on the part of the Federal Government in repatriating the Constitution.

MR. SCHREYER: I'm sorry, Mr. Speaker, I didn't hear the last few words.

MR. SPIVAK: Well, Mr. Speaker, I wonder if the First Minister can indicate to the House whether it's his intention to communicate to the Prime Minister concerning his public statements about the repatriation of the Constitution unilaterally, by the Federal Government.

MR. SCHREYER: Mr. Speaker, perhaps I'd better take that question as notice.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the Minister of Labour. I wonder if he can advise the House whether the city's negotiating team in the transit strike situation, in fact did meet with the Transit Union leadership during the past 24 hours as it was originally reported to be so doing.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): The answer is, Mr. Speaker, as far as I am aware there has been no negotiations whatsoever between

## ORAL QUESTIONS

(MR. PAULLEY cont'd) . . . . the City of Winnipeg, the transit workers, and none certainly to my knowledge that have involved a Conciliation Officer of the Department of Labour. It seems to me that the stalemate that has prevailed over this period still exists.

MR. SHERMAN: A supplementary, Mr. Speaker. Notwithstanding the final phrase in the Minister's response, I would like to ask the Minister whether he can advise the House whether any such meetings to his knowledge are scheduled imminently.

MR. PAULLEY: If my honourable friend means scheduled to the degree that at three o'clock this afternoon there will be a meeting, I am not aware of such a meeting. I do not know if and when the parties to the dispute will meet precisely.

MR. SHERMAN: Mr. Speaker, could I direct a question to the Honourable the First Minister and ask him if he could elaborate to the House on his assurance of yesterday that all possibilities for ending the strike at the city-union level have not been exhausted. Could he elaborate to the House what other possibilities then remain?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I could only indicate to my honourable friend that the Mayor has indicated, I believe, publicly as well as to myself, that the city regards the matter as not being beyond resolution, that they regard it as a problem of theirs, and that they hope to continue negotiating.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Industry and Commerce. Subsequent to the similar question asked last week, has the Minister yet had time to make an assessment of the economic impact of the transit strike in its effect upon business in the Winnipeg area?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Well as I indicated, I believe a week or so ago when this was asked of me, this would be a very complicated statistical procedure. But the answer very specifically is not.

MR. AXWORTHY: A supplementary, Mr. Speaker. Does the Minister intend to have anyone in his department at least make initial surveys or discussion with business organizations to determine the number of lay-offs or the economic impact on the retail trade in the City of Winnipeg, on a basis of getting some information on its impact.

MR. EVANS: Mr. Speaker, it's been my experience in government that when there is a serious problem, and let us say a particular problem in industry or in commerce that one soon finds out about it through the business organizations or through a group of businessmen who very clearly lay out the problem and usually ask for some type of assistance. In this case we have not been approached whatsoever by the business community for any type of survey or any type of assistance in trying to determine the economic impact on them.

MR. AXWORTHY: A supplementary, Mr. Speaker. Barring that particular Act does the Minister have any intention of issuing an invitation to representatives of the business and labour community to discuss the problem and determine what the impact now is or what it might be if the strike continues for any period of time?

MR. EVANS: This is a very hypothetical and rather speculative problem, Mr. Speaker.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. The Bank of Canada has increased the interest rate and has resulted in increased interest rates by the chartered banks in the country and in Manitoba. I wonder if he can indicate whether his department is in a position to indicate what the increased price of goods will be as a result of the increase of the Bank of Canada of its interest rate?

MR. SPEAKER: The Honourable Minister.

MR. EVANS: Mr. Speaker, that sounds almost like a university economics examination question. That's a very difficult question to answer very simply and precisely. I don't know whether any jurisdiction could answer very precisely because

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(MR. EVANS cont'd) . . . . there are so many variables at work.

MR. SPIVAK: Mr. Speaker, to the Minister of Industry and Commerce. In view of the fact that we live at a time when there is an attempt to try and control increases in prices and wages, I wonder if the government would not consider the possibility of an examination of what that increased cost really will mean in the increased prices of goods.

MR. EVANS: Well, Mr. Speaker, I don't know the usefulness of that particular exercise. We all agree that changes in interest rates do have an impact on investment decisions and on the course of business, but interest rates, Mr. Speaker, are changing almost every month, or if not every quarter, and certainly they go up and sometimes they go down. But there are other factors that work too, there are tariffs that are changing, there are freight rates that are changing, there are many many variables that work in the economic sphere, and I just wonder whether the exercise would produce results that the honourable member thinks that it might produce.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. In connection with the Anti-Inflation Program and the Dominion Provincial Conferences that have been held, was there discussion at the time between the Prime Minister and the Premiers and the Finance Ministers of controlling the rise in interest rates in the country --(Interjection)-- Yes, during this period of time?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there was discussion all right, but certainly there was no consensus that it would be feasible to control interest rates in any meaningful way. There was however, I believe, if not a consensus more than just isolated opinion, that bank operating profits could realistically be contained but that is separate and apart from the issue of interest rates as such.

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

MR. G. JOHNSTON: Mr. Speaker, I address a question to the Honourable the Minister of Agriculture. What new areas will be affected, if any, by the tent caterpillar this summer?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I am not able to be specific, but generally speaking it's anticipated that all of southern Manitoba will be affected to some degree.

MR. G. JOHNSTON: Has the government a policy to assist municipalities in their efforts to combat the infestation?

MR. USKIW: Mr. Speaker, we have had a policy for two years now, that is, the Department of Agriculture has been the co-ordinating agency of a control program, through the co-operation of municipalities, and of course there is a billing process involving spraying on private properties, so that there is full recovery for the costs. But in any event the departmental staff have been engaged in discussions with municipalities throughout the province indicating to them just how the co-ordinating effort will be undertaken this year.

MR. G. JOHNSTON: For clarification, did I understand the Minister to say that the province recovers all costs, in other words, the municipalities pay their own expenses in this regard?

MR. USKIW: No. Where an individual requests that his or her property be protected, there is a flat fee per farm yard or residence that is charged back to that individual through the municipality. So it is not the municipality that is funding the program, it is each individual property owner.

MR. G. JOHNSTON: A final question on the same subject, Mr. Speaker. With regard to provincially owned Crown lands, is the government spraying or treating that to hold back the spreading?

MR. USKIW: No, Mr. Speaker, the advice that we have from the expertise in the department is that it is not prudent to mass spray the forest area or the Crown lands in this province, that that is both expensive and undesirable.

MR. SPEAKER: The Honourable Member for Assiniboia.

## ORAL QUESTIONS

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct a question to the Minister of Health and Social Development. I wonder if the Minister can indicate to the House if he had any discussion with medical clinics or senior citizen groups, and let the House know what impact the strike is having on these people?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I think I have indicated already that as far as the concern of the Department of Health, that is, people being able to go to the hospitals for treatment, and so on, that we have been informed that there is no problem.

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

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, some few days ago the Honourable Member for Assiniboia asked a question of me which I took as notice, and I would like to give the answer to the honourable member. The question was, whether I could indicate to the House if the government has completed its study involving the use of recycled glass as aggregate for asphalt in road and highway construction. Well, Mr. Speaker, I would like to indicate to the honourable member that our own Research Department, our Material Department does a lot of research, and as well we receive various reports from the other provinces in Canada as well as some of the states in the United States. Now the trade name given to the asphalt mixture using glass pellets instead of stone aggregate is called Glasphalt. Now the Glass Container Council of Canada took it upon themselves to try to use this Glasphalt on their own industrial road at Bramalea, Ontario. To date, I might add, that the material section has not received any further information as to the wearability or skid resistance, etc., of this test section of the road.

I would also like to point out that the Province of Manitoba did experiment with the placement of rubber in asphalt pavements as far back as 1961. At that time the rubber content consisted of about 2 percent neoprene, which was very costly: and as a matter of record, the test section in Regina, for example, was tried in 1975, just last year, using the rubber crump through the recycling of scrap tires, and we are also awaiting the outcome of that particular project.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I wish that you would proceed with the adjourned debates on Second Readings.

GOVERNMENT BILLS

MR. SPEAKER: Thank you. Bill 4, proposed by the Honourable Attorney-General. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Stand, Mr. Speaker.

BILL NO. 6 - AN ACT TO AMEND THE COMMUNITIES ECONOMIC DEVELOPMENT FUND

MR. SPEAKER: Bill No. 6, proposed by the Honourable Minister of Mines. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Speaker, I rise to speak on this debate and in listening to the Honourable Minister when he was putting forth the explanation of the bill, our first impressions were that there would not appear to be any major changes in the principle of the bill, or they were strictly administration changes, and as the Minister indicated it was a means of finally separating the two funds, the Manitoba Development Corporation and the Communities Economic Development Fund, separating them and making them separate entities. We noticed in reviewing the bill that there were a few principle changes relating to former commitments to the MDC and we noticed that there's no longer any reliance at all on the MDC as far as them being the trustee of the fund.

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(MR. MINAKER cont'd) . . . . We also noticed that there is now a principle that they will have their own technical assistants and their administration will be separate.

We wonder just how much this duplication will take place or has taken place, and just how much it will cost the taxpayers of Manitoba and whether or not this is really necessary to operate the two as separate entities, particularly the technical assistants and the technical services which we know we have expertise in the MDC corporation and with the, if my understanding is correct, with the recent policies of selective loaning of moneys from the MDC and more concentration on, say, larger loans that whether or not this staff is being fully utilized to the same extent that it might have been a few years ago.

The other reason why we're concerned about the cost and again the expansion of bureaucracy, which I know the Honourable Minister doesn't like, at least this is what he has indicated to us in the past in debate that he doesn't like bureaucrats any more than we do, that I just wonder what has happened in the Community Economic Development Fund in the past few years because in reviewing the Annual Reports from year to year, and if we go back to 1972, and I would say they only operated for three months in that year, their administration costs were somewhere in the neighbourhood of \$29,000, and they were active in lending out I think somewhere in the neighbourhood of \$390,000 in that year, in the first three months of operation. But the following year in '73, their administration costs expanded to something like \$185,000, and their loan activity for that year I think expanded around 1.4 million. But it continued to grow, both the administration costs and the lending activity until last year. And if we take the figures in the 1975 Annual Report we find that the administration costs of the fund, the Community Economic Development Fund, for '75 was \$383,000 thereabouts, but their new lending activity was only \$732,000, so that of the moneys used in administration it represented something like 51 percent of the loans that went out. And are we now going to have further growth of this administration cost because of this duplication that will be occurring? We hope this will not be the case and that the Minister will look and review this situation because now it looks like that for every \$2.00 you loan out, it's going to cost you \$1.00 administration costs. And if it continues to spiral like it has, I can see where we'll start getting for every dollar you loan out you'll have \$1.00 administration. We are concerned about the duplication that will occur with this principle of separate services for both funds.

There is also a new principle that is being put forward in this idea of having two separate entities, and one of them is that it is our understanding the fund will now be able to vary the interest rates on any loans without coming forward with a by-law or getting the approval of the Lieutenant-Governor-in-Council, if we interpret the amendments as such, that it would appear that this principle is now being put forward that the fund can vary interest rates on each loan without getting any approval from the Lieutenant-Governor-in-Council or presenting any by-laws to the effect. And this is, I believe, a fair change because I believe now they do have to get the approval of the, or at least put a by-law forward and get approval of the Lieutenant-Governor-in-Council.

We also see that there is no longer any priority set in how the payments are made from any revenues that might accrue from the operation of the fund, and I guess if things weren't handled correctly I could see where it might be putting the persons on the boards in sort of a prejudiced position of not being able to pay themselves. I think in the old fund the principle was there that they got paid first type-of-thing; so that we see that there is a change in that area.

Now, Mr. Speaker, the other principle that we see being put forward at this time, and if we are incorrect I hope the Minister will correct us because it would appear to be a major change in principle of what the bill was originally set up to do. And why I say this is that there are amendments in the bill that will allow the fund to buy pretty well anything they want, if I understand and interpret the amendments that the fund can now buy; if it wanted to I guess it could buy the Northern Fishing Co-operatives in the north if it wanted to, if it seemed that it was the right idea for the fund that it could buy the Northern Fishing Co-operatives. It could also, I guess, set up

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(MR. MINAKER cont'd) . . . . shopping centres if it wanted to in isolated areas. And it also could maybe set up trading posts or buy out trading posts.

And to me this seems that it's a diversion away from the original objectives of the bill. Because my understanding when one reads the Act, the objects of the original funding bill was to encourage the economic development of isolated areas, and how was this going to be achieved? And my understanding in interpreting the Act was through financial assistance to existing enterprises. Financial assistance to existing enterprises and also to encourage the expansion of small to medium economic enterprises that were locally owned. And I underline that, were locally owned and locally operated. This now no longer appears to be the principle that is being put forward with the amendments to the Act that will allow the fund to buy and sell anything pretty well that they deem is necessary for the operation of the fund.

It would be very difficult to support this new principle, Mr. Speaker, and I say this because we are talking about a fund that has been set up to act to develop and encourage the growth of not only the isolated communities in the north but individuals in the north or in isolated communities. And we have often heard that said in the Economic Development hearings and by this Minister, that the fund is set up to encourage the people in isolated communities to become involved, to get business knowledge, and it was often used as the reason why there was such a bad record of loans that were not paid back, or receiverships. This often was the reason given to us that this fund was set up to develop the business community in isolated areas and the individuals involved. But now we have before us, Mr. Speaker, a principle, and it would appear to be a principle that will allow this fund to buy and sell, and we would presume operate, anything they wanted to in isolated communities, and I would have to go against supporting this principle because it's contrary to what the original concept of the fund was established for; because it might be fine for the government to be able to do this, to set up their bureaucracy and to operate, and once again have a major, or another in to the life of the north and control of it. And it's our belief, and I had hoped it would be the belief of the government that the people in isolated areas should be operating and running their own lives, not have Big Brother watching over them all the time and taking over various aspects and responsibilities of life. So it would be very difficult for us to support this principle if this is what the government has in mind with this particular amendment.

For this reason, Mr. Speaker, we hope that the Minister will answer some of these questions, particularly the one with regard to acquisition of properties and the sale of properties because we are very concerned that this is opening the door to another agency of the government for a further development of state-owned ownership of businesses in our northern communities; and again another government involvement in the way of life in our isolated areas with the Big Brother approach still being emphasized when it should be the other way around, as they have indicated in the past when defending the fund, that it was set up to develop the individuals, to develop the small businesses in the north, so that the people could run their own lives and run their own businesses. I hope that the Minister is able to answer these questions. Until he has answered them and clarified these concerns it will be difficult for us to support the bill at this time.

MR. SPEAKER: The Honourable Minister will be closing . . . . The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I would like to move, seconded by the Member for Fort Garry, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 10, proposed by the Honourable Minister of Agriculture. The Honourable Member for Rock Lake.



BILL NO. 18 - AN ACT TO AMEND THE CLEAN ENVIRONMENT ACT

MR. SPEAKER: Bill No. 18, proposed by the Honourable Minister of Mines. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Speaker. We listened with interest the other day when the Minister introduced this amendment to the Clean Environment Act, and listened again with interest to his discussion on the big dilemma on the Mosquito Abatement Program with the City of Winnipeg.

I would like to go on record, Mr. Speaker, as saying that while I was the Chairman of Works and Operations for the City of Winnipeg we sprayed, and we didn't go to the Clean Environment Commission; and the episode that took place afterwards and the accusations of the City of Winnipeg using the Clean Environment Commission as a scapegoat, I will not attempt to debate against or argue because I was not there at the time when this set of episodes took place. And, Mr. Speaker --(Interjection)-- It beats swatting. Mr. Speaker, in putting forward the principles behind the amendments it was our understanding that it will now be possible for city councils or municipal councils involved in either land fill sites or in spraying as long as the operations are run by a municipality and do not affect any municipalities outside their boundary, that they will be able to do so without applying to the Clean Environment Commission, providing they provide them with certain information.

Mr. Speaker, I am somewhat concerned about this because in a way it puts a double standard into the whole situation; and also to some degree the Minister is abdicating his responsibilities. I say it puts a double standard into the situation in that while municipalities can carry out this type of operation, individuals will not be able to. I take for instance a farmer who might be running a hog farm, or something similar to this, that everything is contained within that particular municipality that he has to apply to the Clean Environment Commission, whereas in the same municipality they could be running a land fill site and they would not have to. So that there is a double standard being set up here that I question whether this is correct.

The other area that I had mentioned was the fact that the Minister may be abdicating some of his responsibilities, and I put this forward, in sincerity, in that I believe that a situation could occur, and I think it's evident from what happened with the Mosquito Abatement situation, that I question that possibly a municipality may have the expertise or the knowledge that the Clean Environment Commission may have when they're operating fully within this proposed law change or this change in law, and whether they would still have the same political interests as maybe the Clean Environment Commission has in the overall picture of the situation. And I would suggest possibly that it not only be, when it's beyond the municipality that the Minister can become involved, I would ask the Minister that he should consider the principle that even within, that he should still have the say that if something is wrong, and it's evident that there is something wrong, that the Minister has that power that he can ask them to come to the Clean Environment Commission. As it's worded now, or the principle, if I am wrong I hope the Minister corrects me, it appears that it's only when it's beyond the municipality, the effects, that he can become involved. I would hope that in that way he is not abdicating his responsibilities, because I would hope that they give consideration to looking at even within the municipality, that the Minister still can have the final say, become the arbitrator to look at the situation and refer it to the Clean Environment Commission if he feels that it's in the best interests of the municipality and the province.

The other area, Mr. Speaker, that we are not too clear on is the question of where a municipality has been operating a site after November 1st, 1972, and that the Clean Environment Commission has made certain regulations - we'll say has to cover so much dirt over the fill that's been put in that day - whether they would still have to follow those regulations once this Act has been passed, because I could not really quite interpret it, whether the fact that if they'd been operating prior to 1972 everything appeared to be okay, but if they were operating after 1972 and the Clean Environment Commission had given certain orders and regulations for that land fill site, that they would still have to follow it, even though it had no adverse effects outside the municipality. I hope that the Minister will answer this question and clarify my curiosity on this.

I really haven't anything more to comment on this particular amendment at this time. But I hope the Minister will answer these questions that we have raised.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I beg to move, seconded by the Member from Assiniboia, that debate be adjourned.

MOTION presented and carried.

BILL NO. 19 - THE RENT STABILIZATION ACT

MR. SPEAKER: Bill No. 19, proposed by the Honourable Minister of Consumer, Corporate and Internal Services. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. The bill before us I think has been rightly described by the Minister as perhaps one of the most serious and important pieces of legislation to be brought in at this session and perhaps of any session during the term of this particular Legislature. Not only is it important, it's a difficult piece of activity for any government to undertake because the area of intervening in the housing market is one that has been always considered one of a fair amount of sensitivity and always accompanied by some degree of misinformation about what the impact will be. However, it should be pointed out that rent control is not a new activity in the experience of communities and that there is presently in both North America and in Europe a number of examples of different kinds of rent-control mechanisms.

It would seem to me, Mr. Speaker, that as a result of those variety of experiences that we in this particular province, being the last province really in effect to bring in rent control legislation, we'd have been able to benefit ourselves by those experiences to apply the understandings and the wisdoms that have been acquired by other jurisdictions that have dealt in this field, and therefore developed a bill that properly and adequately met the problem in a way that was both comprehensive, fair and equitable.

Mr. Speaker, after reading the bill and listening to the presentation by the Minister I have to simply say that this bill is really quite inadequate, and in fact suffers from a number of weaknesses that in fact could end up seriously and critically impairing the effectiveness of the program. Perhaps, Mr. Speaker, I guess it's maybe an endemic weakness that is beginning to appear time and time again, but the lack of ability of this government to apply itself seriously and effectively to important public policy matters is illustrated, has been illustrated continually during the past several weeks, and I think is clearly the most serious problem that accompanies this bill.

I was particularly disappointed, Mr. Speaker, in the presentation of the Minister, because I think that during the introduction of a bill like this it should give the Minister opportunity to explain the nuances and details, and in many cases to appease many of the concerns that are raised about a bill that takes such direct intervention into an area that has previously been by and large controlled by marketplace forces. I can only again say, Mr. Speaker, that the presentation left an awful lot to be desired, and in fact didn't explain very much at all.

We were left, Mr. Speaker, for example saying, you're going to have to accept a 10 percent increase; but no explanation whatsoever given as to how do we arrive at 10 percent. It could have been 11, it could have been 9, it could have been 15, I mean, what was the basis for the figure. The Minister says in his speech, well we had to choose a figure and after all the other provinces are coming close to that, so why not? Well, Mr. Speaker, that's not good enough. The fact of the matter is that any limit on rental increase must be tuned according to the kinds of costs that are being experienced by the housing market at the present time, not by some arbitrary figure, not by some abstract conception that has been filtered from some other place, it must be a figure and formula that applies here and now to the situation in the Province of Manitoba. Because if it doesn't, if those formulas that set the terms of the increase are faulty and provide imposing penalties upon those who provide housing then in fact there will be negative consequences and we won't get enough housing built. So we require a very careful explanation as to how do we arrive at the formula, and how does that formula of covering a 10 percent increase over a 14 month period in effect relate to the increase in property taxes, the increase in operating costs, the increases in real estate, maintenance, problems of heat, of return on investment? In other words, these are definable factors that go towards the make-up of a rent. That's the cost that any owner has to deal with. They can be properly assessed, they can be looked at, and whatever figure is arrived at should have some logical result based upon those assessments.

The Minister says, well we didn't do it, or we couldn't do it, or we shouldn't do it, that we just simply pulled a figure out of a hat and applied it on. Well that, Mr. Speaker, to my mind indicates again a pretty serious evasion of responsibility and one that, as I

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(MR. AXWORTHY cont'd) . . . . say, may end up providing a worse consequence than the one that we are trying to solve. In fact it doesn't, if it works against the proper provision of housing in the Province of Manitoba.

Similarly, Mr. Speaker, we talked about the time periods that were allowed, the 14 month period, which has got to be a very awkward kind of timing because as we know most leases at most work on 12 month basis, some on one month basis, but many leases are on a 12 month basis. The way that this particular Act is being imposed, it is going to cut into, transcend two or three different rental periods. If you speak to people who are now trying to say that if they had leases that were coming due in June and July of next year and they have to somehow determine what the actual dollar value of the next rental period will be, when we don't know what the formula will be because that 10 percent covers up until September, you are simply going to have mass degree of confusion, which in fact is happening now, and certainly the discussions that I've had with people on the bill say, we don't know what to do. Well I presume that the Minister might have dealt with that in his opening remarks, but he didn't. Maybe he will have time to deal with it when he concludes debate, because if those explanations aren't pinpointed and clear and articulate, then when we get to discussing the details of the bill then we are simply going to have an awful lot of fuss and fury based upon this information, inadequate explanation and faulty design of legislation. We are making an awful lot more work for ourselves right now by not having adequate construction and proper presentation in the first place.

So, Mr. Speaker, one of the concerns that we have about this particular bill is its basic inadequacy as a piece of legislation; it simply is not a good bill; it is not designed well; it has not been explained well; it doesn't deal with the problem well.

I think, Mr. Speaker, at least we could have asked for some explanation as to what is the exact nature of the problem that we are dealing with in this case, and I think that the Leader of the Opposition raised the question, he said, "Well I don't know what the vacancy rate is. I mean tell us, what's the problem?" I think it was up to the Minister, who again has far more civil servants and far more resources than anybody on this side of the House to describe what is the nature of the rental problem in the Province of Manitoba. How does it vary region by region? In fact, how does it vary from place to place? Because there is a large variance in a suburban market versus the downtown market. There is a great deal of variance in terms of the rental market in Brandon as compared to Winnipeg. There are very significant regional differences; there are very significant differences on the kind of accommodation. There may be a five percent vacancy rate in apartments renting at the \$350.00 level, but there may be zero vacancy rates in apartments renting at \$185.00 level. That's the kind of information that we should have in order to base some proper calculation and assessment of the adequacy of these measures to deal with them.

Mr. Speaker, that information was not forthcoming, and we were told that we've had a department and inquiry service of some kind, collecting statistics, listening to complaints, finding out what's going on. Where was it? Where is the information? I guess it is just indicative of the same kind of thing that we are dealing with in the issue we raised earlier on the transit strike. If this House is expected to take proper and adequate response to problems, we should have some definition of what those problems are from the government; they are the ones that have the capacity to assess and collect information and present at least the facts in front of people. If we don't have the facts and don't have the information, it's pretty hard for legislators to make a proper judgement as to what's the best kind of measure to apply. Again we are being left in a large part of fuzziness and grey areas because they haven't described to us, how does the government see the problem and how do these measures in fact tailor-make themselves to fit that problem?

Mr. Speaker, in part I guess that if the government can't do it, we members of the House have to provide in some cases their own answers, and I was taken with the queries being raised by the Leader of the Opposition that he doesn't know what the vacancy rates are, it could be two percent, it could be five percent. Well I suppose that one source that I would refer him to is Central Mortgage and Housing Corporation, which I

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(MR. AXWORTHY cont'd) . . . . know that it may not be the most adequate source at all times, but it indicated for the past three months and the month of December we had two percent vacancy rate in the City of Winnipeg --(Interjection)-- Well that's a source of information and I suppose it's, unless it's corroborated or altered by the Provincial Government's own Bureau of Statistics, we have to go on that basis.

But more importantly, Mr. Speaker, perhaps for the edification of the Opposition, I did some surveys in my own riding, which is about 90 percent tenants, to find out what kind of situations are they facing. So if we are asking the question of how serious is the problem, perhaps these kind of facts will give them some indication from the tenants' point of view of the problems that they are facing. An apartment in the Roslyn Road area - it's not a low income apartment - rate increase of 18 percent; an apartment on McMillan Avenue, a rent increase of 41 percent over the past year; rent on Stradbroke, an increase of 25 percent; one on Edmonton, 28 percent; one on Broadway, 35 percent; another one on McMillan, 25 percent; another one on Dorchester, 26 percent; one on Lilac, 18.9 percent; one on Harkness, 22 percent; another one on Roslyn Road, 27 percent. These are the percentage increases. In many cases, Mr. Speaker, if we put those percentage increases against the kind of people that are being faced, that many of these people are older people on limited incomes; in many cases now spending up to 40 or 50 percent of their income to maintain a rental property. So while I don't pretend that Fort Rouge is the entire universe, I think the fact it does contain a large portion of tenants in the City of Winnipeg, and at least in that central part of the city they are facing severe problems.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Yes, on a point of privilege, Mr. Speaker, the question that I asked was not the rental increase rates, but the vacancy rates, and if the member has that kind of information, it might be helpful.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Speaker, I thought I referred the Leader of the Opposition to a source that is as available to him as it is to me, and that is the Department of Economic Statistics of Central Mortgage and Housing, Manitoba Region. It's available; in fact you can even get it free, Mr. Speaker. If the Leader of the Opposition was interested in the housing problem he could write away to CMHC, have his name put on the reading list, and every month they would send him monthly statistics that would indicate sort of the kinds of rates. Now if he wants some other sources, I agree to this extent, but I think the lack of information, the lack of careful calculated fine tuning information upon the rental market is a problem, and certainly one of the things that we must expect and one of the inadequacies of this bill is it makes no provision to ensure when we come to monitor the effectiveness of the rent stabilization legislation, that there is no provision to provide information to this House, or to anybody else, as to what has been the changes or alterations in the vacancy rates, in the rental increases, and what not. I think, Mr. Speaker, we will be presenting amendments to correct that particular fault because again you can't operate a monitoring mechanism like a Rent Stabilization Board if you don't have the facts flowing through your hands, being able to look at them, and not only to be looked at on the Minister's desk but to be looked at by the building industry, by members of the legislature, by city council, by all the other concerned bodies who should be involved in making decisions of this sort.

So, Mr. Speaker, the fact of the matter is that in this particular bill I think that we can certainly make the case that the problem is serious enough to warrant attention, and if I can beg a moment of the House to remind them of some of the history that goes back to this, and that is that for two years we have been asking for action. The Minister said that this was an act of social conscience on the part of the government. Well the social conscience took a long time to warm up, because the fact of the matter is the problem has been apparent for a long time; it has been growing; we have been asking for a rent review procedure, which could have been implemented, and I would still suggest, Mr. Speaker, if the government had proclaimed the rent review procedure a year ago, or 18 months ago, we would not now require the rent control bill that we have in front

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(MR. AXWORTHY cont'd) . . . . of us, that it would have taken care of a most immediate aspect of the problem, which was the excess rent or gouging problem, that would have moderated the market and we would also have been able to acquire through a review procedure enough data about the rental market that we then could have made a much more intelligent judgment about the kind of bill that we made now. Of course at that time, according to the experts on that side of the House, we didn't have a housing problem in Manitoba, it was a shimmer of the imagination of the Opposition that we saw, it was a figment, we were romanticizing again. Well we were romanticizing to the extent that we now have to bring in a rent stabilization bill, which is not a good bill in itself. The reason is, that if we had had any kind of foresight or anticipation, or even sort of any kind of response mechanism from the government to public issues as they appear, not two or three years after, we might be now avoiding an awful lot of difficulty in the kind of control mechanism that we are being forced to apply. I would suggest, Mr. Speaker, for example, that the Province of Quebec did bring in a rent review mechanism about two years ago, and therefore has not brought in a Rent Control Bill and has indicated that it doesn't think it is necessary. Now I don't want to make judgments on the Quebec rent review scheme, but according to some observers and commentators, it may in fact be a more useful kind of application to the problem.

I would like to clarify, the Leader of the Opposition has made this mistake on many occasions, he somehow has tried to suggest that in the past we were asking for rent control, which he of course in his old heart of hearts would know is not true, that the very specific and direct recommendations of this group has been for rent review, we have made it very clear, and it is one form of rent mechanism, not a rent control mechanism.

MR. SPEAKER: Order please. The Honourable Leader of the Opposition.

MR. CRAIK: I rise again on a point of privilege, and I suggest that the member if he wasn't listening yesterday he read the record as of yesterday, the Hansard, where I said that he last year advocated either rent control or rent review.

MR. AXWORTHY: I guess, Mr. Speaker, that is what is called splitting a fine sematic fair hair, and it's certainly not a point of privilege, but if the Leader of the Opposition needs exercise, that's his business. Mr. Speaker, the fact of the matter is that we had asked for it, it didn't come, and we are now then dealing with a kind of mechanism.

So the question is what kind of mechanism is it, and what kind of impact is it going to have? I think that this is one of the questions that we have to look at. The Leader of the Opposition brought forward what he considered to be objective, conclusive evidence about the negative impact of rent control features prepared by a group called the Fraser Institute, or a group of economists from the Fraser Institute, which in the kind of trade I work in has always been known as a pretty right-wing group, they tend to have that orientation, but that doesn't matter. The fact of the matter is this, there is no such thing as the conclusive piece of evidence on the impact of rent control; there has been a variety of studies and works done on it, all which have different kinds of assessments, as they used to say. He said, that here we can trust these objective economists. You know the old saying, if you took all the economists and laid them end to end they would point in different directions. Well I think that that's probably a fair case to make in this instance, that you can't necessarily, that there is a conclusive piece of evidence to show in fact that rent control will have a depressing effect on the housing market because, Mr. Speaker, it . . . There is enough evidence on the other side to show that it won't. --(Interjection)-- Well, if the Leader of the Opposition can restrain his impatience for a moment, I will provide it for him. For example, the Vancouver, which has had a rent control scheme for two years, last year built more rental housing than we did in Winnipeg per population, as did Quebec. Now all it simply proves is that we weren't building much apartment rental unit in Winnipeg either, what it does prove is that what depresses the ability to build rental apartments are interest rates, land supply, labour availability, front end financing, and other sources, which are . . . far more influential.

To give the Leader of the Opposition another piece of evidence, that New York is always looked upon as one of the problem areas of rent control, and there is no question

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(MR. AXWORTHY cont'd) . . . . that they have had problems, but in three states around New York, Massachusetts, Connecticut and New Jersey, where they have local option rent control in the cities and towns of that area, a study was just concluded in the state of Massachusetts which shows that those towns and cities that had controls built more units of rental housing per population than those that didn't have controls.

Now I'm not going to argue on this side and say that rent control is going to spur housing, because that would be equally as fallacious as the point of view made by the Leader of the Opposition. The fact of the matter is that rent control does have an impact, but not the conclusive total impact, it is one among several factors. The key that makes it work, Mr. Speaker, and I think that this is where it comes down to the adequacy of this bill. What really determines the kind of influence that a rent control machinery will have upon the supply of housing, is how fair and equitable it is seen to be by the people who supply the housing. If the mechanism itself is seen to be one that has proper appeal procedures, deals adequately with cost factors, and is seen not to be biased on one side or the other, that it seems to have a neutral effect upon the supply of housing, that I think, Mr. Speaker, is a much fairer definition of the problem than that provided by the Leader of the Opposition, it is simply that in a complicated field like housing, which he knows full well, is that there is no one factor that influences in a totally deterministic way how housing is supplied. And the accuracy of a rent control mechanism must be on the fairness and equitability of it, because that if it is not fair and it is not equitable, then we will have problems in the housing market.

Mr. Speaker, that would be the criticism I would make of this bill, that it will have a negative effect because it is not a fair bill or a good bill or an equitable bill. And that is the problem it has been badly drawn again, and therefore we are going to get difficulties. In fact, Mr. Speaker, you can almost look at some of the problems we're experiencing now, that one of the immediate consequences of the way in which this bill has been drawn because there is no cost pass through system in the first 12 months of operation, trust companies in the City of Winnipeg are telling those who hold five year mortgages on apartment blocks that they are not so sure they are going to renew those mortgages in any way. In other words, they simply are not going to refinance. Which simply means that a lot of owners are going to be forced to - what are they going to be forced to do? Sell and get out I suppose, if they can find a buyer. And the reason is because there is no provision to ensure that the owner will get an adequate return on his investment. And if you don't have that kind of assurance then the trust companies are not going to refinance, and there are several cases that have come to my attention over the past week of that now beginning to occur. So in fact what you're going to find happening is - I suppose you could even lead up till . . . well, I'm not going to comment on the Member for St. Matthews because as we all know his great depths of . . . Will I permit a question? Yes.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services)

(Osborne): Mr. Speaker, the Member for Fort Rouge is referring to mortgage companies', trust companies', finance companies' relations with owners of property and the difficulties that owners of properties might have in renewing their mortgages, and I was wondering if he knew of the cases that he's referring to, whether difficulties by these property owners were already being experienced because of the ravages of inflation.

MR. SPEAKER: The Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, there has been in general, and this is the point I wanted to come to, a major decline in the private rental market. In fact I suppose if you wanted to be more accurate, if you look at the long-term trend we are experiencing right across Canada the death of the private rental apartment market. We just are not able to produce those kinds of units out of the private area that have normally supplied the needs of the rental area. But what has happened in the last week is that in those areas, particularly in smaller older blocks that have been financed on five year mortgages, because the 10 percent figure which has no compensatory factor taking into account it appears, return on investment, the trust companies are saying in effect that because they cannot

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(MR. AXWORTHY cont'd) . . . . be guaranteed any returns, we're simply not going to hold that mortgage for you, you have to find your financing somewhere else. And that has been as a direct consequence of the introduction of this bill as of last Thursday.

Now I think that there are ways of correcting that, Mr. Speaker. And I think that, to go back to my earlier prognosis and one which I don't come to easily, but the fact is that the private rental market is sick. It's not only sick in Winnipeg, it is sick and ailing right across Canada. But the question is, do you try to find ways of making it somewhat healthy again, or do you put a death-blow to it, because whatever we know we know that we are not going to be able to supply all the housing for all the rental apartments through public housing efforts. That much we do know. Because frankly if we did we would take up half of the budget of Manitoba to do it. So we're going to have to rely upon a substantial and continual investment in private rental apartments if we're going to meet that need, and therefore we can't go around sort of, while the requirement is for rent control, we can't go around seemingly doing our best to ensure that it won't happen, that we won't get the proper supply. That's why the bill had to be drawn in a much more balanced and equitable way than it is. That it had to provide that balance of fairness for tenant and for landlord and for ensuring that there would not be those negative influences on investment patterns.

Another question that has to be raised in this regard, Mr. Speaker, is the exclusion of government housing itself. One that by the way has not been excluded in other jurisdictions. The Province of Ontario in fact includes sort of government housing, and the reason is . . . And I would have looked forward, you know, I trust the Minister at times to be able to give straightforward explanations to the problem. I would have wanted to know why. Where in his introduction was he telling us why because in fact, Mr. Speaker, if you look at some of the indications now, - and I can be corrected by the Minister that is responsible for Manitoba Housing and Renewal Corporation - he has estimated that the cost increases in government housing may be as high as 16 percent in the forthcoming year, not 10 percent. And therefore we're going to give them a higher increase than we're going to allow in the private market.

Now what it may be, one of the methods that we sure might have looked at is, should we gear in fact the increase in the private market according to the cost experienced in the public market as some way of getting indicatives of what the increase in utilities and taxes, and all the rest of it, are going to be. Well it may be that there are good reasons why that wouldn't work. But the fact of the matter is if in the public government side you're going to be raising it 16 percent, first it's still going to provide a hardship for many of those people while their rent is geared to income. But as I pointed out in this House before we are now paying a subsidy rate, in many cases of close to \$2,000 a year per unit. It doesn't save us any money by doing that, but why the disparity? Why the difference? Well there must be an explanation for it. But that explanation should be geared to at least ensuring that this House would have the proper information as to what are the cost increases experienced in the public sector so that we would then be able to judge the fairness of the Act as it relates to the private sector. And that again comes back, Mr. Speaker, to my concern about the fairness of the application of this particular bill.

Another kind of problem, Mr. Speaker, is again in the regional application of it. One of the critical factors that accounts perhaps for 15 or 20 percent of the cost of any apartment unit, is property taxation. And as we know there is a wide variance in property taxation across the province from one municipality to another, particularly because of the school tax levy. We have been told that there is no more assistance forthcoming in that area, and I'm sure we will have opportunity to talk about that specific problem. But the fact of the matter is that that is a cost that must be passed through and it is passed through unequally to provide in some cases perhaps a sharp - in those areas where the property taxes are of a low nature, that it provides a certain windfall compared to those where it's a high nature. And again that's something that could have been dealt with in this bill. It could have been coped with; it's not an impossible way of developing a formula to deal with it. One of the examples that have been put forward is in the

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(MR. AXWORTHY cont'd) . . . . B.C. Rent Review Commission Study where they indicate that in fact the formula for determining the percentage increase should include a complete pass-through for property taxes. In other words, a standard eight percent to encompass operating costs, maintenance costs, utility costs, which are standard across the province, but then allow the property tax to vary by regions by simply having that passed on proportionately to the tenants and the owner would then just so register his property tax increase with the Rent Review Board, or whichever body was to be set up.

Now that was the proposal that was made and in covering the economics to it, it seemed to make some sense. It seemed to make a different kind of formula than the one that was being applied.

Another kind of problem I think, Mr. Speaker, we're running into is the question of voluntary compliance with the bill. Again if you look at the experience of rent control in the number of jurisdictions that are applying it, it depends very much upon voluntary agreement. We can't have policemen going around, or we can't be having lawsuits against everyone who doesn't comply. And that's why again it seems that there is the dependency upon voluntary compliance and it depends how much confidence people have that again, are they being treated fairly. Again there is the application and compliance features, the penalties that are going to be imposed. I would suggest, Mr. Speaker, under the present bill we're going to miss an awful lot, and in fact the B.C. survey that was done shows that almost one third of the actual rental units did not adhere to the law because the original straight across-the-board increase in Vancouver was not seen to be fair. We should have learned from that experience and corrected it and involved those corrections again in the body of this particular piece of legislation.

Therefore, Mr. Speaker, we feel that in order to give proper consideration to this bill that many changes are needed. We think that again the requirement to step in and do something to stabilize the rental market was absolutely necessary and I don't think that anyone could question our credentials on that because I think we've been the only group arguing that way for the past few years. But we are saying the particular form it has taken is a wrong one and an unfair one, and therefore we think in order to make it work properly, in order to ensure that it will properly balance between the requirement to protect the tenants but ensure there is an adequate housing supply continually coming on stream, that there are several changes that are required.

First is that we need not a 14-month but a 12-month period for determining rent increases; that I think the 14-month period will simply end up in a number of extremely awkward inconvenient and in many cases irrational ways of determining what the rents will be.

We would also suggest that the rent increases be determined, about starting, that would really be probably in October or from September to September, so that we're taking in the initial rent period beginning on October 1 if it was to start now.

The second part that we would like to see really a three part formula for determining the rent increase. One part that would be a standard increase encompassing just the basic operating costs which are pretty standard, utilities, of maintenance cost, etc., which may be at a level of six or eight percent, depending upon what the exact assessment would be, but then have a complete cost pass-through for property taxes, and also in that formula an adequate return on investment, on equity investment in the apartment itself to ensure that there would be a fair return and that the investment would keep up. So we feel that any percentage increase should be based upon those three factors: return on investment, operating costs, property tax pass-through. The first two would be a standard formula, the other would be a variable formula applied according to the property tax rates of the different municipalities primarily based upon their school tax situation.

A third factor that we would like to see in the bill is an appeal procedure that would be applicable right now. There are a number of cases, Mr. Speaker, where a number of inequities will be faced. People who have provided major renovations and taken out Home Improvement Loans, now having to pay for them and can't. People who have had two-year leases so that in fact the rents they're now charging or were charging as of last July would be two years old and are in no way adequate to cover the costs in any



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(MR. AXWORTHY cont'd) . . . . way shape or form. The requirement where certain people have smaller units where they have been caught with the problem of under-rated rents and just simply need increases because they may only have two, or three, or five units in a block but their costs cannot be prorated by volume. We have the problem of people who have made new purchases of apartments. So therefore an appeal procedure is required. Now the argument expressed by the Minister was, well we wanted to cut down on administrative costs. And I think that we are all concerned about that, but I would suggest that he's going to end up with more headaches, more administrative bungling, more organizational management problems by not providing a fair appeal procedure than trying to do it by cutting himself short right now. And that requirement of appeal procedure is essential for both sides, and while it may result in increasing numbers, there are ways of dealing with it. Again if we look at the experience of rent review procedures in Quebec and other jurisdictions, we would find ways of coping with it based upon their experience.

We would also like to see finally, Mr. Speaker, again and we may have opportunity to discuss this further in the Estimates of the Manitoba Housing and Renewal Corporation, some steps announced by the Provincial Government to provide stimulation, incentive for the continued production of rental units in the private market, to deal with the supply problem, whether it's a tax incentive, whether it's certain kinds of write-offs, whether it's second mortgaging - there's a number of instruments that could be applied and used and unfortunately both the Conservatives and the New Democrats when we brought forward these suggestions a couple of days ago in a private member's resolution, didn't care to contend with them, but those kinds of measures are necessary if we're going to maintain a private rental market. And hand in hand with the Rent Stabilization Bill should go a bill for the incentive for rental housing in the City of Winnipeg in particular. If we don't do it, it's not going to happen. And therefore we must provide a two-handed punch, we can't do one without the other. The two are inextricably tied and therefore again there is no market.

And finally, Mr. Speaker, the profit in the existing housing market. There's very little incentive to maintain maintenance. You're penalized under the tax system, you're affected in other ways by it. In the existing apartment market, and older apartments in particular, there is very few by-tax provisions for it. It's very difficult to maintain a maintenance, maintaining upkeep, and make the transference into good rental units. It's an area where public policy on both federal and provincial levels almost virtually ignore. There is no public programs to deal with the existing rental market in a way to ensure that proper use is made of those buildings. And therefore we've needed a proper housing program to ensure that it would take place.

So, Mr. Speaker, in conclusion we would say again that we can only express our deep disappointment as to the way in which the bill has been brought forward. We feel that it is not a good bill. It does not meet the problems that had to be met. We cannot understand why because certainly, Mr. Speaker, it wasn't for the fact that we moved into the problem in some short-term way. We were one of the last provinces to bring it in. There's a vast amount of experience in other jurisdictions that could have been properly used, properly looked at, and I think we could have ended up with a much better bill. And we can only say that as we intend to bring forward amendments at committee, as I'm sure others will be, we hope that we will at least be able to in part put this bill back on the track so that it will be properly sort of equal to both the tenants and those who supply the housing in the Province of Manitoba.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker.

Mr. Speaker, as we have stated in this House, this is a very serious bill for the Province of Manitoba. It's important as the previous speaker just said, but it's very serious I think that's what we have to regard it as. And with the seriousness of it we have to be objective in our views when we are dealing with this type of legislation. I know that the incentives that have been spoken about are there but it's a strange thing that it was the Federal Liberal Government who took off the incentives not too long ago as far as

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(MR. F. JOHNSTON cont'd) . . . . encouraging any type of building or construction is concerned in this area.

Mr. Speaker, I would say that we in the answer to the Throne Speech made it very clear that we would favour and look towards evaluation as far as rent controls are concerned. We made that very clear but for some reason or other the Liberal Party in this province says it's always their idea. And we had just another example of somebody standing up from the Liberal Party expressing themselves and not saying which side of the fence they're on. And we get this all the time. I would like to know, Mr. Speaker, regarding this bill if the member is going to come to Law Amendments because in the Law Amendments we can ask many of the questions that he has brought forward. Questions that are very technical, questions that we don't have material in front of us on this bill at the present time to evaluate, and we say that the proper place to do it is after we have had hearings and discussions with the Minister, we can also go through it clause by clause.

Mr. Speaker, the only logical way that this bill can be looked at by the members of this House is in an objective way to try to have it best for the people of the Province of Manitoba and not stand up and make a great irate presentation about how did the Minister get this information, or that information, so he'll look good saying it when he has every right to go to Law Amendments and ask the Minister right there.

Mr. Speaker, the bill in front of us is important. The bill in front of us is important. I can remember one thing that happened in this House, and I don't remember the name of the bill, Mr. Speaker, but I do remember this; it was the Attorney-General's bill; it was the bill that related to the computerizing of debts owing against cars and houses, etc., so we could have this information before us at all times; a very technical bill that took a long time for any of us to understand. But, Mr. Speaker, the request was made to the Minister, the Attorney-General, at the time that possibly at one o'clock or 1:30 every day we could sit down during the week before Law Amendments, or something of that nature, and the Minister was very happy at that time to come in with his people and answer any questions we had about the bill for him. And I might say that that would be an objective thing to ask for. I don't know whether it's completely necessary. The Minister can sum it up after.

Mr. Speaker, when we talk about economists, and apparently any time the Conservative Party talks about economists that economist is a right winger. Mr. Speaker, my Leader in the House basically quoted the words of other men that happen to be in this book. But it's very interesting to talk about the percentage of vacancies at the present time. I would say that if you want to find out the vacancies in Manitoba you go and talk to the people that own apartment blocks, and I don't know whether the Minister has, and I'm sure he should have, but we can ask him if he has. But if you can phone up somebody and say, "How much did your rent go up?", you can say to him, "How many vacant apartments have you got in the block?" You could have had that information just as easy. The two percent which is given to you federally by statistics is an arbitrary figure from one and a half to two percent that they've been using for years, and I think that in anybody's time I can tell you right now, I am told by a person who is very close to the market in apartment blocks in this city, that he knows of 300 suites that are available tomorrow. I can tell you from talking to real estate men that houses are still available to be sold, their salesmen are still going out trying to sell houses.

Mr. Speaker, this bill should go to committee. This bill should go to committee so that the members of this House can study it and look at it thoroughly. I have said, and as our Leader has said, there is no other way of doing it other than to approach it objectively after we've had the chance to ask people questions; and those people hopefully will have done their homework and give us answers; we'll be able to hear people, and then come into this House and make amendments and debate it objectively to have something proper for the Province of Manitoba. But not to make a big grandstand on whether you've done this or you've done that now, and after you've done it, sit down and not have a position.

MR. SPEAKER: The Honourable Minister will be closing debate. The Honourable Member for St. Matthews.

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MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, I move, seconded by the Honourable Member for Gimli, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister for Agriculture.

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

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

. . . . . continued on next page

## COMMITTEE OF SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN: I refer honourable members to Page 58 of their Estimates. Resolution 112(b) Administrative Salaries, \$262,400.00. The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I just have one brief enquiry or two that I want to make of the Minister. Normally there would have been questions that I would have asked him during Question Period before Orders of the Day, but obviously since we were dealing with his Estimates, the proper procedure was to hold them for now. And I would appreciate an answer from the Minister when he next rises to respond in the Estimates consideration before us.

They are parochial questions, but they're of concern to my parish, my constituency. The question at issue is the location of the Fort Garry-St. Vital bridge, I know that the Minister probably feels that I've waltzed him around on this question in the past, but I suggest, Mr. Chairman, that there is a different question to be asked at the moment which is my reason for rising now, and that is the question on the location of the bridge. There had been a number of different locations considered and I think that there had been a determination by both parties, the province and the city, as to precisely where the bridge was going to go. Indeed, the form of the bridge and the cost of the bridge, I know, are still in some debate although there has been agreement that the bridge will be not as elaborate, not as expensive as was proposed originally in some quarters, and I have no quarrel with that decision.

But it's my understanding that there also had been a fairly firm if not completely firm decision as to the precise location, and I have reason to suspect now that that location decision may be under review or under revision; and I would appreciate the reply of the Minister as to whether or not location of the bridge has been determined, has been settled upon and is beyond the stage of review, re-examination and possible change.

The second question on the same subject is one somewhat like those that I've asked the Minister before, but again slightly different because of recent information - correct or incorrect, I'm not in a position to say - but recent information that has come to me, and I would appreciate the Minister's direction on it. That has to do with the province's participation in the cost of the project. I know that the province through the Minister has committed itself to 50 percent participation of a given figure; and I know that the Minister made it very clear in answer to me in the House a couple of weeks ago that that was not an open-end contract, that it was to be 50 percent of an agreed upon figure. However, what I'd like to know from the Minister is, are there parameters for that figure? That is to say, that one project, one proposal, would cost approximately \$11½ million; another proposal being considered would cost approximately \$16 million; and what I would like to receive some explicit information from the Minister on, is the question of whether the 50 percent cost-sharing will apply all the way up to that 16 million-dollar figure, should that be the project decided upon, or whether it will only go to the 11½ million-dollar figure which has been tagged on one of the two proposals.

MR. CHAIRMAN: Resolution 112(b), the Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs)(Seven Oaks): Mr. Chairman, in reply to the Member for Fort Garry, with regard to the bridge itself I don't think it's a question of location, unless I don't understand what he means by location. The place where it will cross is established. It's the alignments that are being discussed with Winnipeg.

It's now in the hands of staff, and our staff will meet with the city staff - I believe there is a meeting planned for next week, when the two staffs will sit down and look at it; and at that time they'll report back both to the city and to ourselves, at which time I'll then be able to be more definitive in the kind of answer I can give him. Right now I can't give him a definitive answer because this information is not yet available to me.

MR. SHERMAN: Well I appreciate that information, Mr. Chairman, but if I could just add a supplementary for clarification. I know that the location of the crossing is not under review or in dispute or liable to change, but it's the alignments that I'm talking about. It was my understanding that a decision had been made on an alignment between the power lines. There now seems to be a suggestion that that alignment might be placed south of the power lines, and you'll appreciate, Sir, that that makes a considerable

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(MR. SHERMAN cont'd) . . . .difference in a residential area. So this is the reason for my question to the Minister, and if he can't answer the question today, I'm perfectly happy to leave it on the record with him and receive an answer from him as soon as it's possible.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman, I wish to make a couple of points on something that the Minister indicated to the House yesterday, that the City of Winnipeg will not be receiving any more assistance. This really concerns me, Mr. Chairman, because also the Minister of Mines and Natural Resources last night when he was debating on this same point, said in his constituency the property tax only increased - and he worked it out - it was somewhere in the neighborhood of \$50.00 per home. Well this may be so in his constituency, I can't argue for his point, but I can tell the Minister of Mines and Natural Resources that in my constituency my tax did not go up \$50.00, it went up 100 percent. It went up from 700 to over 1,400. It's around 1,700. So that is how much it's gone in five years since the Unicity. --(Interjection)-- No, it isn't. So the Minister cannot say that there's been not this high increase. There has been in the City of St. James-Assiniboia, there has been this increase. So it does concern me, Mr. Chairman, because the costs are outstripping the slow growth that the city has any kind of a tax base.

Unless the Minister can indicate to the House where the city should use the tax base, because the government had an increase of \$40 million alone in the sales tax in one year, that's what the projected increase will be in 1976 as compared to 1975, in the retail sales tax. So there is a growth. There is a growth where you're receiving the increase. There is a growth of 10 or \$20 million in the liquor profits in one year, an increase of \$10 million in one year.

There is more than \$40 million in individual income tax, and you show me that kind of a tax base that the City of Winnipeg has to tax. I'd like to see it. Because there isn't, Mr. Chairman. So the costs in my opinion are outstripping. You have a 1976 deficit of \$18 million. So how is this going to be raised? You know, I know each year the city goes to the government for a bandaid approach and they ask for more, but to make up a deficit you will have to increase the property tax by 18 percent in the city- when I say City of Winnipeg I'm talking the Unicity - by 18 percent.

And you have a projected deficit of \$30 million in 1977. Again you'll need an 18 to 19 percent increase. So, Mr. Chairman, to me this is a pretty serious thing. Between 1975 and 1980 the tax in the city will be doubled - the property tax I'm talking about. And in my opinion it's way too high at the present time - way too high. So really what's happening now - and if you take back from 1972 to 1980, the property tax on most properties will be tripled - these are the facts - will be tripled. So this will be a hardship - not on some people - it'll be a great hardship on most people, with exception of a few that can really afford them and it doesn't matter what the property taxes are.

But really, you know, I couldn't believe my ears yesterday when the Minister was saying in the House, that in his area where he lives, that he worked on the houses, on a certain home at 30,000, that the real actual increase was \$50.00. That's what he said. --(Interjection)-- Well, I would say that's nonsense. I can't understand it. Because certainly that's not what it is in the whole part of St. James-Assiniboia.

So, Mr. Chairman, in my opinion the province has a growth rate. It really has every year, in one area, of \$40 million in the retail sales. It has in the personal income tax over \$40 million. That's the growth. So unless the Minister can indicate where the city should tax - maybe they should tax in the area of liquor and retail sales, and maybe there should be a two percent or more percent sales tax, I don't know. Maybe that's the area they have to go. But I know for one thing that they can't continue to increase the property tax, because if you compare it to the other cities in western Canada, I'll tell you - I've compared some of the homes - comparative homes with what we have in St. James - and compared them to the homes in Calgary and Edmonton - I'll tell you we're 50 percent higher in most cases. --(Interjection)-- We are. I'm talking about property tax, strictly property tax.

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(MR. PATRICK cont'd)

So, Mr. Chairman, I just wish to bring that to their attention. I know that the Minister of Mines and Resources yesterday he spoke - well, you know, what a great thing the unification was. Maybe to some extent it was. But as far as most people in St. James-Assiniboia are concerned, our services are not any better; our police services are not better, in fact I think they're less, there are less police cars on the streets than there used to be; there's less snow cleaning now than we had before; there's the same garbage pickup that we had before, we have now; and the property tax has doubled for most people. So what have we gained as far as the Unicity was concerned? Not that much. Our property tax was doubled.

So at the present time, aside from the business tax and property tax, and dog licences and some fire inspections, this is the tax base that the City of Winnipeg is using. And in my opinion that's not enough. So either they have to have some sharing with the growth tax of the province or they'll have to start taxing on their own, and this hasn't happened. And yesterday we had the sad news that the Minister indicated to the House there will be no increased grants to the City of Winnipeg. So what does it mean? With already \$18 million deficit - they're looking at an 18 percent increase across - the - board just --(Interjection)-- Stain your house. Just to do away with the deficit, Mr. Chairman. So this is certainly real sad news as far as my part of the constituency is concerned, or part of St. James - Assiniboia, because it'll affect many people and it'll be a real hardship. And if we continue with no change in the tax structure, and if we continue with no increase in grants, I see a real serious problem as far as 1977 is concerned. Because again you'll have to come up with 20 percent or 18 percent increase just to cover the deficits, never mind the other increases, just to cover the deficits, Mr. Chairman.

As well, I think the Provincial Government must improve its grants for road construction in the greater Winnipeg area. I don't believe the present is satisfactory. Because really in our area - when we talked about Portage Avenue, that we were going to have other arterial routes to take some traffic off Portage Avenue, this was taking place here ten years ago when we were talking about an inner-perimeter, which was not acceptable to me, and I don't think it's necessary today. But surely there's another street necessary, parallel, that will take the traffic - parallel to Portage Avenue in the west end area, and nothing has been done so far. Again, there's nothing in the City of Winnipeg Estimates that will continue them; they make the point that there's no money.

So I hope that the Minister of Urban Affairs will give some serious consideration to the points that I've raised.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Well, Mr. Chairman, the Member from Assiniboia refers to what I assume is perhaps his own tax bill. --(Interjection)-- I didn't hear him. He says "yes". That it went up from \$700.00 to \$1,400.00, and that is very possible. He was living in St. James-Assiniboia which did enjoy, prior to the City of Winnipeg Act, one of the lowest, I think, except for Tuxedo - the lowest mill rate enjoyed by citizens of Greater Winnipeg, and that was one of the dilemmas. That there were some areas that certainly had a tax base and their residents benefited from that tax base; other communities which were primarily residential couldn't hope to meet that kind of a tax break at all.

He mentions an increase from \$700.00 to \$1,400.00, which means that his assessment to be a \$12,000 assessment. If he deducts - I'm assuming he doesn't qualify for 300 --(Interjection)-- Yes. I'm assuming he doesn't qualify for \$300.00 --(Interjection)-- I don't know how come, but I assume he doesn't qualify for the full \$300.00 tax credit. So if he's talking about from \$700 to \$1,400 did he deduct the 175? So therefore it's a \$700.00 increase over a period of six years which is about what, \$115, \$110 a year? I suggest to the honourable member that if he looks at other jurisdictions, Toronto, Vancouver, Calgary, Regina, he'll find that he's not that far out of line over this six or seven year period. The fact is that it isn't that great a cost and there always has been and always will be increases in property taxes. We know that. It does not go down. My experience has been it never goes down. He poses a question of what

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(MR. MILLER cont'd) . . . . is the city going to do? What are cities generally going to do? I dealt with it last night, I don't know whether the member was in the House or not, and I indicated to him that I recognize the dilemma that there's a possibility that in fact the cities generally across the country cannot continue and are finding it more and more difficult to just base their income on property taxes, that there is another avenue open to them and it was made open by this government. Firstly in the fact that the two points of personal income tax and one point of corporate income tax are now going to flow to the municipalities and it will grow in value as the value of those points increase. As well there are other taxes that he mentioned, liquor taxes, I think he mentioned sales tax, personal and corporate income tax, hotel room tax, these too are areas which the city and other municipalities can consider and should consider and the province has indicated that it will gladly co-operate and assist the municipalities entering into that field.

As I said last night, I pointed out that really we were breaking ground in Manitoba. In other jurisdictions, provinces have not yet moved towards even entertaining that thought; that in fact they haven't provided their municipalities with that avenue. We have provided the municipalities with that avenue and by providing that avenue we are basically saying to them that if they want the power to spend then they should accept the responsibility for that spending; accepting it by saying, yes, we want these taxes levied and those taxes will be earmarked for municipal purposes. Because of that there may be a slowing down of the mill rate increases or perhaps even may transfer from the traditional mill rate to other kinds of taxes which some may argue are more progressive or less regressive than property tax, although I can tell you that there is some re-thinking going on on property tax.

There was a conference in Toronto recently where, I gather, someone from the University of Toronto told a seminar sponsored by the Federal Department of Urban Affairs that perhaps the property taxes were not all as bad as it appeared, that perhaps more attention should be paid to making the property tax a more efficient and more productive fiscal instrument than simply trying to concern ourselves about its regressivity. One of the points raised at this conference was the fact that the assessments are not at market value, that the assessments are so late and lag behind the actual increases in value due to inflation, due to other factors, but that if market value was introduced and was updated - and it could easily then be updated if it's market value - then it would more properly reflect and more perhaps equitably reflect the impulse of taxation on a particular piece of property including empty land and including other properties which are on the assessment rolls.

Now as I say this is something that I've just recently run across from Toronto. I haven't given it much study. But the reality is that this whole question of property taxes is not new to this House. It has been debated for many many years. It has been debated and is being debated in Ontario and in Alberta. As I indicated last night oil rich Alberta which apparently advertised to its citizens of Alberta, asking them for suggestions on how to spend about a billion and a half dollars of oil revenue; nonetheless the City of Edmonton Council has been informed that they should not look to the province to find them \$18½ million that they're looking for and that in fact the City of Edmonton is being told that they're going to have to levy for it on property.

As I said earlier it's not new and I have a clipping here of 1960. It's a few years ago and it happened to be at the time that Metro was first created. Premier Duff Roblin at that time was asked whether he thought municipal taxes would go up or down and his reply was - and he was honest about it - "Certainly," he says, "In my experience taxes go only one way. Up." He said this in 1960 and of course he was proven right. Taxes have gone up. It's not surprising to me and it's not surprising to anyone who's been involved at all.

So I have to say to the Honourable Member for Assiniboia that the fact is that the tax burden - property tax burden in Winnipeg has been growing. It has not, however, been growing at a faster rate if one takes into account the equalization, the three years of equalization, and the property tax credit plan, that it has not been growing at a faster rate than other municipalities in other provincial jurisdictions, that it is general across the country and that it would be unfair for the member to suggest that somehow something is happening in Winnipeg that isn't happening elsewhere.

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(MR. MILLER cont'd)

Now he can make the statement, residing as he does in St. James-Assiniboia, that in his particular area his tax bills went up a considerable amount and he's right. In Tuxedo I think they went up even more. But I have to remind him that he was living in an area with a very low mill rate compared to all the other areas of Greater Winnipeg. In 1969 - I have here a figure - the St. James-Assiniboia, the school mill rate and municipal mill rate was 49.8 and in the City of Winnipeg it was 65.9. So you have there a discrepancy of 16 mills right off the bat, you know, which is a 30 percent increase as the Minister of Mines points out to me. I hope his arithmetic is right. I haven't checked it. But you're sitting there quietly thinking about it and I'm not.

So that it's true, this went up and if someone here representing the constituency which includes the old Town of Tuxedo they were even in a more preferential position because as I recall they had a cement plant within their boundaries, two cement plants I think it was, two of them and my recollection in going back a number of years, I remember the Mayor of Tuxedo, I think it was Mr. Lamont at the time, being very candid and saying that, yes, the two cement plants pretty well looked after the major costs of the Town of Tuxedo. As well of course they had other requirements; 75-foot lots which pretty well determined the value of the home that was going to be built and the assessment there on that home was going to be high, and they enjoyed an extremely extremely low low mill rate. Frankly that was one of the reasons why there was a need and a recognized need to (1) first introduce Metro and then from Metro to then go the next logical step which was one city. That's the position we took.

Now, Mr. Chairman, the Member for Fort Garry, he's not in his seat, however he did ask me to clarify the question on the Fort Garry-St. Vital crossing and I can't reply to his last question simply because as I indicated earlier it's in the hands of staff, of officials. They are meeting and once their meeting is concluded and once they go back to their respective bodies and report back then both the city and the province will be in a better position to know what the implications are with regard to this alignment. He talks about the roadway on the east side of the river, whether it will go between the hydro right-of-ways or to the south of the existing hydro right-of-way. That's one of the questions that is being looked at and it's a highly technical question, I don't claim to be too knowledgeable in that. But certainly it's something that the staff will look at and they will make a report and when we have that report we'll be in a better position to be able to determine the level of provincial funding.

Mr. Chairman, I think that responds to the questions that the Member for Fort Garry asked and hopefully a response which I don't imagine the Member for Assiniboia will accept but a response to the Member from Assiniboia on some of the points he raised.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Chairman, I wanted to take issue with some of the statements that the Minister of Urban Affairs made and of course I'd like to ask many questions and maybe I'll take issue with the Minister of Mines, the Member for St. Johns, the Minister of Public Works and of course I want to include one of the Liberal members.

But I think that in front of me I have what is city policy, major policies which have been adopted by city council pertaining to his department. I hope to be able to find out what his terms of reference and his department stands for because I've had a great deal of difficulty over the years in examining the contradictory statements from many of the members on the opposite side.

I'm looking at "The city shall encourage residential development and compatible amenities of the downtown core," and I believe most of the discussions did take place pertaining to the City of Winnipeg and of course the downtown core.

In some kind of common folk address to you gentlemen on the other side I would like to quote the Minister in last night's paper in which he said that the opposition critics forgot about the three NIP programs in the downtown core. I'd like to suggest to him that I was the council's representative to the Canadian Housing and Renewal Officials' Conference in St. Johns and it was my suggestion that removing scrap yards and undesirable industries should be relocated first, as the first step, and many of the NHA and



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(MR. WILSON cont'd) . . . .CMHA people agreed with this and I believe that some effort was made in certain areas of Canada to relocate scrap yards and I believe in the Point Douglas area some of these undesirable businesses have been removed.

I also noted that many of the experts had spoken on urban shelter. I was at the Urban Shelter Conference to hear the Minister of Urban Affairs and there certainly was a lack of MLAs present. I went there as just an ordinary Joe from Wolseley and I do not have the responsibility of the Urban Affairs criticism. As I say I enjoyed the Minister's remarks at that time.

Again I share with the Minister the concern that you cannot build highways fast enough to fill up with cars that will go bumper to bumper once they're built. However I think the government has been severely lax and very weak in their emphasis on public transit. I think they could do very very much more.

I am greatly concerned about the government's objectives in the core area. I didn't like the statement that they're going to wreck houses and put the people from those wrecked houses in the new ones. I think a study should be made and certainly I am appalled to think that every one of these houses that may have in it tenants that don't give a hoot about how they manage the house or what they do to it, and it would seem to me that those that are ruled to be structurally sound by the city administrators or the government's inspectors should be allowed to be repaired under the NIP program or the WHIP program or whatever. I would think that there's certainly enough land available that the amount of money that the province receives from the Federal Government should allow them to relocate these people from these houses if they have too many children for the size of the house and put them into one of these newer homes.

But again the size of the lot and the expectation of these people kind of gripes me. It seems to me that in last year's Urban Affairs Department thing the Minister talked about new expectations of people and new things that were going to be done to have these people have a smaller bedroom and maybe a smaller rec room and maybe a smaller size of lot, new housing designs, innovative new methods and per acre a greater density. I hear nothing in this year's address to indicate that we're going to be doing anything constructive in this area. I think a lot of these, speaking from my limited experience, a lot of these bay windows and big pane glass windows could be eliminated. I certainly agree with light but at the same time some of the windows that they put in while they look very attractive are very expensive when you consider we're supplying housing for those people that don't have shelter at present. I think these people would be very satisfied with something - I think we have to supply housing for more people not excellent housing for a few people.

Before I continue on with the Minister, it's too bad he's not here, but I really enjoyed the Member for St. Johns because I liked his quotation that he suggested to the city manners in which it can improve, because he contradicts the statement by the Minister of Urban Affairs who said the city should go its own way. I'd like to tell the Minister it's sort of been a long road from city hall to get here to be able to tell the people how I think they can improve. It seems to me that he was worried that I might say the wrong thing but I have a great deal of faith in my ideas and the hurry in which I'm going to express them because we don't have years and years to have these things accomplished. We have to get on with the job now because of the fiscal problems faced by the city and of course by all of us in Manitoba.

I started seven years ago to get here and now that I'm here you're going to hear from me. I would like to say that it seems to me that Trudeau and Federal Liberals and the Conservatives, and yes the Federal NDP, have really saved you people on the other side, members opposite, from defeat at the pol's because they have treated you to some degree. . . Well, they treated you with some degree of merit because they really went after senior citizen housing. But you know this story has never been told, and I really honestly believe that this story has never been told. You know the media has - I'm going to tell it - the media has never investigated the public relations campaign at the NDP, that these large blocks are NDP's doing, that they are the New Democratic's doing. Now you can ask the Member over there from Winnipeg Centre, because they planted organizers in 444 Kennedy and after the opening ceremonies, they had a fantastic membership drive. At 185 Smith Street. . .

MR. CHAIRMAN: Order please. The hour being 4:30, the hour has arrived for Private Members' Hour. Committee rise. Is it the will of the committee to proceed? Committee rise. Call in the Speaker.

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that the report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: The first item this afternoon in Private Members' is Resolution 2. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I believe the first time that this resolution came around, we had the Member for Fort Rouge who introduced it, and then we had the contributions from the Minister of Corrections, and finally the contributions of the Attorney-General. Mr. Speaker, I got into the act because I have always listened to the Attorney-General and have some interest in some of the activities of the Attorney-General. However, I have to say, Mr. Speaker, that when he did make a contribution on this, I could just imagine him lying on the sand and the beach of Cuba, and the gentle waves on the shore and the breezes wafting slowly through the trees; because I think he didn't want to really get involved in this at all. He was sort of wishing that it would go away on him. But, Mr. Speaker, it won't go away, and it's here with us, and we have to deal with it.

What the Attorney-General said was merely platitudes. He couldn't go against it, but he didn't really endorse it enthusiastically. He was just sort of rolling with the punches and hoping that the real issue would not come up at all. Because really, Mr. Speaker, the real issue that the Attorney-General has to deal with - and I suggest the Minister of Corrections too - is the present system that we have of fines and penalties, whether those penalties be served in short terms in penal institutions, just isn't working. The Minister of Corrections is responsible for the operations of the various correctional institutes, and what we've seen happen in there in the past couple of years, Mr. Speaker, in my estimation anyway, by no stretch of the imagination could it be called progress. I would suggest, Mr. Speaker, that right now the penal system today is mass confusion, there's uncertainty and disillusionment on the part of those that are charged with the responsibility for the operation of those institutions.

Mr. Speaker, we've spent many dollars on the finally achieved Juvenile Detention Centre in this area, and if the Minister can tell me that that is operating fine and everything is rosy, I might believe him for about five seconds. But, Mr. Speaker, the problems that we're getting are increasing, they're not decreasing. And I'm not too sure that some of the suggestions that are being made here by the Member for Fort Rouge, while he's dealing with relatively minor offences, I'm not too sure that the suggestions that he has are the be-all and end-all of all the problems.

Mr. Speaker, right now we have a feeling prevalent in society today that is not conducive to law and order. And I would ask each and every member of this Assembly, if they think back a bit and view some of the occurrences that have taken place in their constituencies, if I'm not correct in that statement. But we're finding other things happening, Sir, and that is in the field of education; that we are encouraging, we're encouraging the young people today to challenge almost every concept that is placed before them. Now is it little wonder that when we're preaching these things in our schools, that we then find trouble with our system of law and order. We're finding a society today that is no longer permissive, it's almost antagonistic. And the incidence of wrongdoing in society, I suggest, is going to increase, is going to continue to increase until we change our educational system; until we change the operations of our correctional institutes; and until we demonstrate quite clearly to those in society that there is a difference and there will be a difference accorded to those that live by law and order and those that challenge the validity of our legal system.

Mr. Speaker, we have found our police force has increased, our police force has

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(MR. GRAHAM cont'd) . . . . doubled in the last few years; all you have to do is look at the appropriation in the Attorney-General's Estimates to see how much it has increased and the cost. And yet here we're thinking of dealing very gently with those that commit offences in society. We want to make sure that they're treated the same as everyone else in society. We want them to work their fines off in community affairs at minimum wages, and I would suggest, Sir, that to some of them there is an unwillingness to work because there is nothing being presented by this present government today which would encourage the work ethic. The Member for Fort Rouge suggests that we could have work camps and community projects for these people to work on. What are you going to do, Mr. Speaker, if they refuse to work? There are an awful lot of young people today who won't take a job because they say, well, that's not suited to me, I don't want to do that type of work. We are not encouraging a work ethic in society.

Mr. Speaker, there comes a time when we must encourage law and order in society; when we must try to emphasize the difference between right and wrong; and when we must point out to people that those who do wrong must pay a penalty for it. Now the Member for Fort Rouge is trying to go the opposite direction. He is --(Interjection)-- Yes, he says something about that in here some place. He wants an organized program for them. Mr. Speaker, we are so organized in today's society; we've got so many people working in organizations to draft programs, to analyse programs, to dissect programs and to restructure programs, that we don't even have a program left when we're finished. Mr. Speaker, I'm not too sure that everything the Member for Fort Rouge says is wrong. There's some of it I agree with, but at the same time I think that you cannot entirely follow the do-gooder approach constantly. There has to be, at some time or another, a firm understanding in society of what is right and what is wrong, and people have to understand that if they do wrong, they have to pay a penalty for it.

Mr. Speaker, I present these views, they're my personal views, because I think that it is time that somebody has to speak up and point out the errors of our ways at the present time. I think we have to get down to some fundamental basics pretty soon. If we don't, pretty soon our courts will be loaded with cases and we'll have backlogs three to six months. Until we point out that the system of law and order has to be the one that we choose to live with; until we encourage young people to adopt a worthwhile lifestyle, which may or may not involve the work ethic - but to me, I think the work ethic is a very desirable one; and until we change our educational system to establish some of the very basics that have built this country, rather than endeavour to point out the weaknesses and the faults and the challenges and attempt to destroy it. These are some of the things that concern me, Mr. Speaker, and I hope that they concern a lot more members in society, and hopefully members in this Chamber as well.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Thank you, Mr. Speaker. I support the member's resolution in its concept. It has been something I've believed in for many many years. I would totally throw out the words of my honourable friend across the House, and I'll tell you why, Mr. Speaker. I have a lot of faith in youth today - and what he's saying today, my father said about me, and I'm saying it about . . .and it will go on and on. But let me prove a point, Mr. Speaker, just to prove a point. The kids today are screaming their tires and they're driving fast cars and they're reckless; in 1939 and 1940 these were the kids that flew the Spitfires and protected the whole of Britain at that time. And why were they chosen, specially chosen? Because they were haywire kids with no nerves, or good nerves, or whatever. The same concept in that society when Rommel was attacking, those viscous hordes were attacking us, who went out there and beat the - you know, held them back? The kids of England, they were the ones, the hellers, these haywire kids that he's so bitter against. --(Interjection)-- Pardon me? We need a war to prove their worth. Maybe that's the answer, Mr. Speaker.

The work ethic, the work ethic, Mr. Speaker, has been changed a lot since his day as a youth and mine. It's much simpler to work today. A couple of examples: A Swede saw and an ax can put up two and a half cords an hour a day, now they're putting up 15 cords. To clear land with a pick and a shovel, one tree per day; now they're taking 100 yard swathes with machines. The mines are where this has proven, Mr. Speaker. A

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(MR. BARROW cont'd) . . . . year from now, two years, three years, there will be no mining as such. They'll be sitting in an armchair pushing buttons. You know, the work concept has gone out. Another hundred years there'll be no work to speak of, just a very very small amount, and there's where the adjustment comes in, Mr. Speaker. This is not something new my honourable friend has suggested. Joe Borowski pushed his concept year after year and he experienced a jail term, Joe did. And he said the people who work in the fields, the people who produced, were much happier and contented prisoners. And that's true. I had the misfortune, Mr. Speaker, to spend 28 days in detention and we worked like. . . we worked hard. And we complained about this. But one part of it, it rained for two days, we were quite happy to get out and work. Work is what? What is work? You're producing something. It makes a happy person. The happiest people today are the people who are doing the most work. If you want something done, ask the busiest man. Who carries the load on this side of the House? The busiest man is my honourable friend the Minister of Mines. The busiest man. If you want something go to him. This is the work concept.

Now I had an opportunity to visit Dorchester maximum security prison. --(Interjection)-- Well the plumbing wasn't that good. I had the opportunity to go there and visit and the prisoners were not happy, they were very unhappy. But the ones that were more happy than the unhappy ones were the people who were doing something. These two young fellows had demolished Volkswagens and made a complete new job of it. They were proud of them. Other ones were doing leather work. They weren't allowed outside the walls of course, they were kind of restricted. But they were doing leather work, bronze work, this type of thing. Opportunity for education was there. They were busy people in them circumstances.

Now in my own area we have a place and I think this government or maybe it was before this government Egg Lake. It held 30 or 40 kids, a small camp on the side of a lake. Mostly young people who were in trouble for the first time, drinking, stealing a car, siphoning gas, this kind of thing - we have all done that. --(Interjection)-- You haven't lived. But they get caught, Mr. Speaker. They get caught and they don't go to jail, they go to Egg Lake Camp. It's like a - oh it's a beautiful spot and they do work. They work, they cut wood for the park, they cut right-of-ways for hydro, right-of-ways for the Parks Branch over there and my Minister over there saves money with it. They are paid a nominal amount of money, very little. I think \$2.00 a day, \$3.00 a day. This is put in a fund and when they leave they have a small stake to start life anew. The sentence is limited I think to between 60 and 90 days. That's the maximum amount, and the ironic part of this which would disprove everything that my friend said over there, the ironic part, those young people hate to leave that camp, that prison camp, after all this work. You know I just can't believe it. They want to stay.

You know, Mr. Speaker, we can carry this far and I'm willing to support the concept. But we have Metis kids, white kids who are in trouble continuously, but not bad kids. They're not bad, and I worked at a school where we had a lot of them, a lot of these small misdemeanours. After six years of trying to solve the problem I have finally come to the conclusion that these kids lack confidence. They don't come from homes of the "haves". Broken homes, some suffering from small emotional problems. But every young person wants to be recognized. Some will throw a tantrum. This is done in the House lots of times and I won't mention any names. I would say, Mr. Speaker, I could buy this program and go much beyond it. I see a school for people who are from all over Manitoba, any province, that aren't making it.

Our education system is not giving them what they want. They don't want to know our ancient history. They want to read, write and they want to do arithmetic. I mean this is basic --(Interjection)-- Well I disagree with Orlikow. But anyway, Mr. Speaker, let's change that program around, change the education system around, have an adventure program, a productive program. Teach them how to work in the bush; teach them how to look after themselves; give them confidence. And that is what my friend is saying over here. First time I have ever called him my friend, but I will do it today. Mr. Speaker, I am just merely going to say now that I am glad that he brought this out in the open and I hope that this side of the House supports his resolution. Thank you.

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

MR. GORDON E. JOHNSTON: Will the member permit a question? Does he support his government when they sold the animals and the farm at both Headingley and Portage la Prairie Institute for the Retarded? Also cut out all outside land activities at the Home for Boys at Portage la Prairie? Does he support his government's action in doing this where the inmates had work to do, manual labour in a farm atmosphere and a farm surrounding, does he support his government's action when they cut that out?

MR. BARROW: Well my honourable friend from Portage la Prairie I am not familiar with what exactly happened. But I wouldn't support anything that would hold youth back in those circumstances. I may not agree. I disagree. But I would be a person on this side of the House, that if I couldn't sway this caucus in thinking my way I would be very very disappointed in your concept.

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

MR. JOHANNSON: Mr. Speaker, I would like to reply to some of the statement made by the Honourable Member for Birtle-Russell. You know the last time I heard statements like that was when I heard a very prominent American statesman make similar propositions. Now his name, Mr. Speaker, was Spiro Agnew. Spiro Agnew was the darling of the right-wing. He was the darling of the Conservatives; he was the darling of the Tories. Yes, he was the man who stood for law and order and so did Mr. Nixon and I can recall gentlemen opposite of the Conservative Party thought very highly of Mr. Nixon and Mr. Agnew some years back. Joe Borowski liked Spiro Agnew too. They thought very highly of Mr. Agnew and Mr. Nixon. Of course this was before the days of Watergate. But Spiro Agnew was sent around to every toastmasters' club, every Republican Women's group in the United States preaching the gospel of law and order. You know in those days they thought, in those days the Republican Party thought that they could win votes on that issue. When I hear the Honourable Member for Birtle-Russell preaching law and order again, you know I am reminded of Spiro Agnew, I am reminded of Spiro Agnew that great great prophet of law and order. I am also reminded of --(Interjection)-- No I don't say that the honourable member looks like Spiro Agnew, Spiro Agnew had a little less hair. But you know while Spiro Agnew was preaching law and order he was accepting bribes; he was degrading the office of the Vice-Presidency of the United States to the lowest level since I can't recall when. Not the beginning of time but the beginning of the American nation. His master, Richard Nixon, that other great upholder of law and order, also degraded his office like it had never before been degraded since the beginning of the American Presidency.

You know if the Conservative Party thinks that they are going to win votes in this society on the issue of law and order I think that they are wrong. I really think that they are wrong and I think that they are pursuing a dishonest issue. I think that they are pursuing it in a dishonest way. Yes they are pursuing a dishonest issue and they are pursuing it in a dishonest way. They are trying to create an issue where none really exists.

You know, Mr. Speaker, I live in the city. I live in the city. I live in an area where there are mainly working people. I don't live in the rural --(Interjection)-- I work too, sometimes. Yes I live in an area where there are working people and you know, Mr. Speaker, that kind of appeal won't win their votes. That kind of appeal won't win their votes. I shouldn't really tell you that because if you keep trying to push the issue you'll lose the next election. So I hope you do. But I'll tell you, you won't win any votes. Because the people in my area have some intelligence. That is why they voted for us last time. That's why the issue won't wash with them. They know there is no great crisis in terms of law and order.

You know I will have to give the City of Winnipeg that credit. I think that they have a reasonably good police force and I think we have a reasonable level of law and order in the area in which I live.

The member also stated that in our education system children are encouraged to challenge every concept placed before them. He says that they are not merely permissive, we don't merely have a permissive society, we have an antagonistic society where the kids are encouraged to be antagonistic. Well you know I have differed with

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(MR. JOHANNSON cont'd) . . . .our Minister of Education and with the Deputy Minister on their particular concept of education but I can't possibly agree with the Member for Birtle-Russell because I agree that children should be challenged to question concepts. I agree that they should develop the capacity for critical analysis, to be able to think for themselves. That's what I want our school system to produce; children who can think for themselves so that they are capable of being free men, so that they are capable of running our society when they grow up. You know, Mr. Speaker, I was worried before when the Conservatives applauded me when I spoke about education. Now that Member for Churchill applauds me I'm starting to worry again, because I think he misunderstands me.

I still believe in a tough school system. I believe in a school system that has respect for the intellect, that has respect for good workmanship, good workmanship which does develop children who are capable of expressing themselves in accurate sentences, who are capable of expressing clear thoughts. Sometimes we don't get very clear thoughts in this Chamber so our school system hasn't always done the job of teaching the three R's as it has supposed to have done. But I want children who are capable of thinking for themselves and I want an education system that will produce children who can think for themselves. The honourable Member says that we are not encouraging, that our government is following a do-gooder approach. We are not encouraging people to work. Well the Member for Flin Flon just spoke of one example of what the Department of Corrections is doing. I think in many areas we are trying to develop opportunities for people in remote areas particularly, to become productive members of our society. We are trying to give them opportunities to work. I can think of the case of the Churchill pre-fab housing factory where we took almost every employable, unemployed person in the town off the welfare rolls and we put them to work in a factory producing some beautiful housing. Now the honourable members opposite haven't really applauded us for that.

I can recall a debate in this House and the debate centered on a question of bookkeeping and accounts between Northern Affairs, Northern Manpower Corps and the Manitoba Housing Renewal Corporation. We were attacked on that basis. But we were never applauded and perhaps the opposition shouldn't applaud us, but we were never applauded for putting people to work and we did. There were problems and there will continue to be problems but that was a very meaningful effort to take people off the welfare rolls and give them opportunities to become productive members of society. Now I would agree with the Minister of Corrections, the Attorney-General that we can support the resolution of the Honourable Member for Fort Rouge. We don't too often agree but in this case I'm afraid I am much closer to his position than I am to the position of the Member for Birtle-Russell. The --(Interjection)-- I'll blow my Conservative image. That's too bad.

I must say that I have some reservations about his resolution and I would like to express those. The Honourable Member for Fort Rouge in his resolution states in his third Whereas, that inadequate financial means of a person so convicted often require that person to go to jail instead of paying the fine. Apparently he was using federal studies in his preparation for this project and I think if he checks he will find that this really isn't the case in Manitoba, that he is basically attacking a problem that may have existed when the Conservatives were the government of this province but which no longer is much of a problem now that we have a humane government, a government that insists on doing meaningful things.

Now the member quoted the fact that Saskatchewan has a program which he praised in rather glowing terms. Although I appreciate his praise for a program of the Government of Saskatchewan, which is an NDP government, I think that he praises it too much. I don't think that it is as good as he thinks it is. The Province of Saskatchewan, according to most recent statistics that I know of, has roughly 2,300 persons jailed per year for non-payment of fines, 2,300. In Manitoba the figure is 300. The Manitoba statistics are statistics that include a person for example who may have to spend ten minutes in jail out of a 30-day sentence. So the statistics are generous in that respect. But we have about one-eighth, about 12 percent of the number of people that Saskatchewan

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(MR. JOHANNSON cont'd) . . . .has jailed for non-payment of fines. There are a number of reasons for this and the reasons show what this government has done since we came into office. Now I don't like to blow our own horn; I really don't like to praise this government but I should point out a few things that we have done since we came to office, because --(Interjection)-- Yes, I agree with the member. It would be difficult to have enough time to enumerate all the good things we have done.

For example we brought in The Intoxicated Persons Detention Act. --(Interjection)-- Well in caucus I don't praise our government quite as much as I do here. But we brought in The Intoxicated Persons' Detention Act. Saskatchewan doesn't have such an Act. The bringing in of that Act reduced our prison population by 50 percent over two years. So that is one reason why we have far fewer people in jails for non-payment of fines.

Saskatchewan jails people for non-payment of fines under The Vehicles Act; we don't. We suspend the licence rather than fining people and putting them to jail if they don't pay the fine; we suspend licences in this area. Saskatchewan tends to have longer sentences for default of payment. In fact from the figures I have they tend to have sentences in default of payment that are about six times as long as ours. So this keeps people in jail for a much longer time. --(Interjection)-- They have to man the farms. Well, perhaps we have fewer farms. Perhaps our system is better. Saskatchewan also doesn't seem to be as generous in granting time to pay and in granting extensions of time. Also in Saskatchewan people in remote communities don't seem to know that they have options available to them and they go to jail because they don't realize they have any other option.

In Manitoba we have brought in - and here I must praise our Attorney-General - we have brought in court communicators; we have probation officers who inform people in remote communities who may not know their rights, of what their rights are. So once again our government has done a hell of a good job. I'm sorry, I apologize for my enthusiasm. But we must praise our Attorney-General for what he's done.

I said I had some reservations about the Saskatchewan program. It hasn't brought about dramatic reforms of their system. It's decreased their jail population by five percent. It's done some good but the results haven't been dramatic, and they have had problems. The people who have opted into the program, who have agreed to work off their sentences or their fines often are people who are virtually unemployable. They may have alcohol problems; they may have medical problems; they may have mental problems; they may have a combination of all three. They are people who are very difficult to place in employment and also to keep in employment for any period of time. --(Interjection)-- Well I wouldn't blame that on the Liberals. I think that we live in very troubled times in a lot of ways. We live in a very complex society, a society that produces a lot of personal frustrations and a lot of people simply can't cope.

Now in fact the Director of the Saskatchewan Fine Option Program calls his own program "a bandaid approach" which they have to use until they implement something like Manitoba has. It is a program that has some usefulness, it has brought about some improvement but it is a "bandaid" compared to what Manitoba has done already. So, Mr. Speaker, we will --(Interjection)-- Yes, the Minister of Corrections did not write this. Mr. Speaker, we have stated that we will consider the resolution. We will examine the proposal. But as I have already stated we are already doing great things in this field and I hope that the Minister of Corrections and the Attorney-General continue their good work.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, I would say at the outset that the resolution that is now before the House is one that I believe is worthy of some consideration. I think that notwithstanding what some people feel about Private Members' Hours, I think it does provide that kind of an opportunity where people don't have to feel constrained by party discipline to follow any particular line, that they can offer variations of an approach to any given subject --(Interjection)-- Well, Mr. Speaker, I'm very happy that I was able to feed the Minister of Mines and Resources that line because it is appropriate in the light of what has taken place on the other side of the House in the last few days.

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(MR. JORGENSON cont'd)

I do want to offer a few comments on the proposal that is now before us and to suggest that it seems to be a tendency on the part of modern politicians, and I hesitate to be categorized as a Spiro Agnew of any description, but it does seem to me that we are too often missing the point in our attempts to deal with problems that are increasing and the one mentioned in the resolution is definitely one that has been increasing over the years.

Instead of attempting to come to grips with the reason for that problem we apply superficial bandaid approaches to try and deal with that problem as it arises rather than trying to find a solution to the original problem and the reasons for this increase in crime. It's the same way that we're dealing with inflation, Sir. We are proposing program after program in order to compensate for the effects of inflation and haven't got the courage to deal with the cause of inflation itself. The longer we continue to ignore the cause of the problem and simply apply bandaids to cover up the problem that is created, the more disastrous is going to be the end result.

I think to a large extent that same philosophy can apply here. Here is another one of those approaches that tends to deal with the effect rather than the cause. I am not going to suggest that it is not a worthwhile program to consider. I would hope however that rather than embarking on this kind of a venture in a wholesale way that we do make some effort to determine, on perhaps a trial basis, just how effectively that it can work out in certain instances and under certain circumstances and with certain people. Because I don't think that this kind of a program can apply generally across such a wide variety of mentalities, of people that from time to time run afoul of the law.

I recall talking to a prisoner who was out on a weekend leave a while back and he was offering his suggestions as to what was wrong in the present system. One thing that he told me impressed me and I think I've mentioned it before in the House. I will briefly mention it again. That is that the people who are entrusted with the responsibility the psychiatrists if you will, seem to be unable to determine the difference between a hardened criminal, one who has a criminal mind - and let's face it, we know that there are people just like some people take up medicine or the legal profession as a profession, there are some people who are bent on a career of crime. Their minds are --(Interjection)-- The Attorney-General says there is no difference between the legal profession and the career of crime. I'll leave him to be the judge of that. But those people seem to be the ones that are able to con the psychiatrist and con the prison officials into believing that they are the ones that should be eligible for the paroles and eligible for the weekends and eligible for the other things.

His view was that it was necessary for us to have some - I doubt very much if you could find a foolproof system - but to develop into a very fine art the ability to distinguish between those who are capable of rehabilitation and then apply those rehabilitative measures because they simply will not work on another person with a different kind of mentality. So perhaps we should be looking in that kind of an area to determine how it is possible to rehabilitate a person that is capable of being rehabilitated.

Now the Member for Flin Flon in his colorful way seemed to create the impression, and I got the feeling that maybe he was speaking against the resolution although he did say that he was for it, but when he suggested that the conditions in our jails were so good these days that a lot of people wanted to go back for a second week at the Holiday Inn, that he was really speaking against this kind of a program.

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

MR. BARROW: Mr. Speaker, I would assure the member I didn't infer that. I said this place at Egg Lake, it is a semi-detention camp. The conditions in Dorchester are deplorable and I hope he wouldn't misunderstand that.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I accept the member's correction. I perhaps wasn't listening as carefully as I should have. But I got the impression - and I must say to the member that he is difficult to hear in my particular listening post here, his voice doesn't come across as clearly as other members' do. So I apologize if I have misinterpreted what he said.



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(MR. JORGENSON cont'd)

The Member for St. Matthews went somewhat further than the Member for Flin Flon. He suggested that the measures that the government have taken were so good that one almost got the impression that he believed that the incidence of crime had practically disappeared from Manitoba. And then he cited the number of measures - The Intoxicated Persons' Detention Act, he said, has reduced the incidence of prison residents; and I grant that is a fact, it has. But it has not, in my view, reduced the incidence of intoxication. So, you know, we might have created a situation where the figures might prove one thing, the facts are an entirely different thing, and I think to suggest or to imply that some of those measures have reduced the incidence of crime in this country is certainly not in accordance with the facts. Everybody knows that the incidence of crime is increasing, and I think that the words of the Member for Birtle-Russell were directed at that particular aspect of this whole situation to point out what he, in his way, what he thought were the reasons why there was an increased incidence of crime.

Mr. Speaker, I think that the measure that is being proposed here may to a large extent be likened to the amendments that are now before the House of Commons with regard to amendments to the Criminal Code and, in particular, reference to the gun control laws. If ever there was a fallacy in my mind, the registration of firearms as a means of controlling crime or reducing crime has got to be about as fallacious an argument as one could ever imagine.

But in listening to Peter Warren's show this morning, his guest was a gentleman who was opposed to the registration of firearms. The first caller that phoned in I think perhaps represented a typical attitude on the part of a good many people, when she phoned in and said, well, it may not do anything but at least they're doing something. And this is characteristic of our day and age. People really don't care if you're accomplishing anything as long as you're moving. It's this great flurry of activity that is important, to create the impression that you're moving and running around in circles that impresses people. And I want to tell the Member for St. Matthews, that if the Member for Birtle-Russell or other members on this side of the House take a law and order attitude, it's not because we think that there's votes in it, but because we think it's right.

I don't know how he measures everything. I presume from his comments that he measures everything in terms of votes, whether it's right or wrong. And I can assure him that on this side of the House we do have some feeling for the principle of any given situation or any given attitude towards law and order or any other subject. --(Interjection)-- Well, I think that if you're right and sincere in what you are proposing, that is the best way of attracting support for any given position. A lot of people will support you even if they believe you're wrong. So I suppose that to a certain extent, sincerity is analagous to support; not always, but I think that to a large extent people respect that.

The program that is now being debated in the House of Commons with respect to the registration of firearms is such an example of not really coming to the grips of the problem, you know. If the government really wanted and really believed that the registration of firearms could reduce the incidence of crime, then I would suggest to them it would be in this day and age and at this particular time far more appropriate for them to register hockey sticks, because there's a great deal more mayhem created in the hockey rinks of this country than there is on the streets and with the use of guns.

As a matter of fact, I read just recently of a housewife in Vancouver who had done her husband in with 9-iron. Are we supposed to now register all 9-irons or golf clubs? Because they are lethal weapons as well. You know, the belief that by registering firearms is going to, in some mysterious way, reduce the incidence of crime is just about as fallacious and just about as stupid as one could possibly imagine. It will do nothing of the sort. What it could do, and will do, is simply penalize the law abiding innocent person who has no intention of ever using a firearm for purposes other than his own pleasure and his own enjoyment. And I am not one that has a particular fondness for firearms. I had my fill of them during 1939 and 1945, and I haven't kept a firearm in the House since; neither have I taken any particular delight in hunting, although I used to enjoy it prior to that time. But there are a large number of people who collect firearms, who use firearms in much the same way that some people collect stamps and much

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(MR. JORGENSON cont'd) . . . .the same way that other people collect art treasurers, and I think it's the height of absurdity to penalize those people in attempting to convince - and I'm sure they're convincing only themselves - that by some mysterious way this measure is going to reduce the incidence of crime or that it's going to prevent criminals from committing more crimes with firearms.

What I think more likely is to happen as a result of the government bringing forth this measure - and it's intended of course to camouflage their real bill for the abolition of capital punishment and sort of create the impression that they're really starting to drive to control crime. But I suspect that the real purpose behind it is one that is always in the back of minds of the government at Ottawa, and that is to find some way of imposing another tax, and I suspect that it won't be very long before there will be a registration tax imposed on firearms to bring in revenue to the government - just another way of bringing in revenue. It seems to me that in my experience over the past number of years that every devious way that you can possibly imagine is being sought by government to bring in more revenue to the treasury so that they can spend it on more foolish programs.

Mr. Speaker, much as this program can be lauded in its attempt to deal with the circumstances set out in the resolution proposed by the Member for Fort Rouge, I sometimes think that our entire system of justice now is being perverted. Instead of dealing with crimes as they arise, dealing with the causes of crime, and dealing with the people who commit crimes, there is another basis upon which justice is being meted out - and that is inherent in this resolution really - and that is on the basis of the ability to pay. If a person has not the ability to pay a fine and the jails are full, there is no other alternative but to set him free, and we see that happening every day - or being remanded. The courts will pounce on anybody that may have enough money to pay a fine, because it's revenue to the province and it relieves them of the responsibility of punishing in other ways a person who is accused or convicted of a crime. I think it's a very shaky basis upon which to base a system of justice, but it is being done, and I think that you will find that throughout this country more and more, the courts are finding the easy way out by simply basing justice on the ability to pay.

MR. SPEAKER: The honourable member will have another three minutes the next time this resolution comes up. May I also remind the honourable members that at 8 p.m. the Industrial Relations Committee meets in Room 254.

The adjournment hour having been arrived at, I now adjourn the House, and it stands adjourned until 2:30 tomorrow afternoon. (Thursday)