



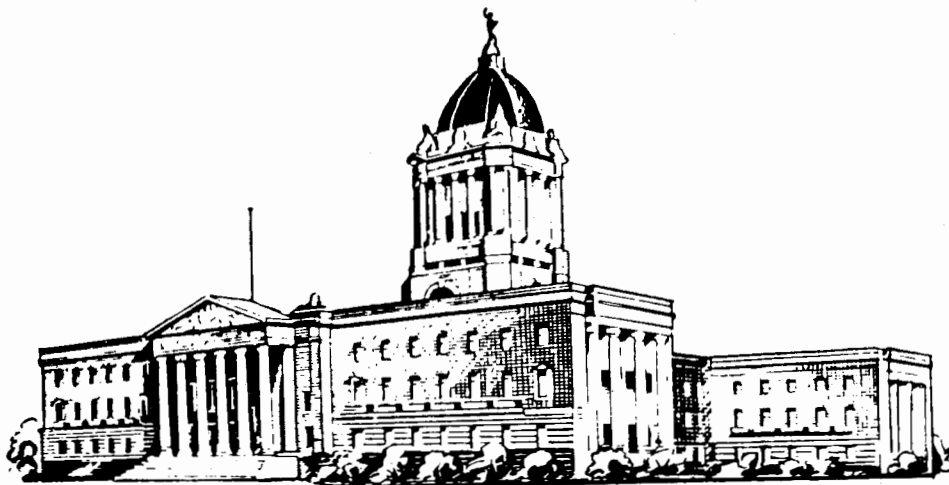
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Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXIII No. 37 2:30 p.m., Monday, March 15th, 1976. Third Session, 30th Legislature.

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THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Monday, March 15, 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 loge to my left where we have a member from the State Legislature of New Mexico, Miss Jeannie Jensen, as our guest this afternoon.

On behalf of the Assembly, I welcome you.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; The Honourable Attorney-General.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I would like your indulgence to file the Report on Family Law through the Law Reform Commission. There will be copies distributed. We only have 10 copies so far, they'll be distributed to the Leaders of the Parties, some copies will be on file in the library and then shortly we hope to have sufficient copies for each member of the Legislature.

MR. SPEAKER: Any other Ministerial Statements? The Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I wish to make a statement with respect to the Government's Support for public schools. The per pupil grants to school divisions under the Education Finance Program for the year 1976 will double in rate as part of an increase of \$16.6 million in provincial grants to school boards. The total provincial support will be \$160.2 million, up 12 percent from 1975. The per pupil grant in 1976 will be raised to \$100.00 from the former \$50.00, an increase that is expected to provide school boards with an additional \$10.9 million during the current year. Total Foundation Program funds will increase to \$170.8 million from \$152.8 million in 1975. Eighty percent of Foundation funds are given in Provincial Grants and 20 percent are raised by the Foundation levy on property.

Direct grants will go up to \$23.6 million from \$21.4 million. There will also be changes in the Equalization Grant formula which will increase the per pupil equalization grants to low assessment school divisions; they per se will decrease the grants for higher assessment divisions, however, under the combined per pupil and equalization grants even the highest assessed divisions will receive more than last year. The new formula provides for grants of \$20.00 per pupil for divisions with a balanced assessment per pupil of \$11,500 or more, increasing by stages of \$15.00 per category, and there are eight categories, to \$125.00 per pupil for divisions with a balanced assessment per pupil of under \$5,500.00.

Under this new formula, Mr. Speaker, the high assessment per pupil, Winnipeg School Division for example would receive \$100 per pupil in the per pupil grants plus \$20.00 in equalization grants for a total of \$120.00 per pupil as a sum total of these two grants. In 1975 the same school divisions received per pupil grants of \$50.00 plus equalization grants of \$40.00 per pupil for a total of \$90.00. Now a low assessment division like Duck Mountain will receive per pupil grants of \$100.00 plus \$125.00 per pupil in equalization grants in 1976 totalling \$225.00, compared with the 1975 per pupil grants of \$50.00 and \$110.00 totalling \$160.00.

Some of the other forms of grants are: special grants to school divisions to cushion grants' loss caused by enrolment declines. The grants which are estimated to yield more than \$1.25 million in compensatory revenues will be calculated at \$350 per pupil and will be paid to any division experiencing decline in total enrolment of more than one percent. These grants will be part of the Foundation Program.

There is provision for a one-year grant to tide school divisions. This, Mr. Speaker, is a one-year grant to tide school divisions over an adjustment period. A special small schools' grant to divisions with more than ten percent of their enrolment in schools with fewer than 175 pupils. This grant is intended to provide greater support for

MINISTERIAL STATEMENTS AND TABLING OF REPORTS cont'd.

(MR. HANUSCHAK cont'd)divisions with significant small school enrolment. We expect this new grant to provide the divisions with about \$550,000 per year in additional revenue, whereas about \$275,000 per year was being budgeted under the previous Rural Educational Alternatives program. This grant was also part of the Foundation Program. Then there will also be increases in the following grants: The Print and Non Print grant concerning textbook purchases which will be \$16.00 per pupil in 1976 increased from the present \$12.00 per pupil; school divisions will be able to apply this increase for direct purchases from suppliers rather than having to deal directly from the Manitoba Textbook Bureau. This Foundation Grant is expected to yield about \$3.5 million for school divisions in 1976, which is up from the present \$2.7 million.

The Northern Cost of Living Allowance for school divisions situated north of the 53rd Parallel: this direct grant will provide northern school divisions with an extra \$624,000 in 1976, again an increase from the present \$330,000.00. .

School bus purchases to be \$3 million in 1976, an increase from \$2.4 million in 1975; transportation operations, teachers' salaries, through qualifications and experience and the French Bilingualism grants, all of these of course will contribute toward increases in the grants for the year 1976.

And very shortly, Mr. Speaker, practically as soon as the final calculation is complete, I expect to make a statement concerning the level of Foundation levies for 1976 which the Public Schools Finance Board is presently working to establish for the 20 percent of the Foundation Program that is paid through property taxes. The Public Schools Finance Board will inform the school divisions as quickly as possible of the additional amounts of grants they may expect to receive in 1976 as a result of the grants' changes. I just may repeat again that the range from \$20.00 per pupil grant for balanced assessments of \$11,500 and increased to \$125.00 for a balanced assessment, up to \$5,499.00 per pupil.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should again like to direct the attention of the honourable members to the loge on my left, where we have the Member of Parliament for Churchill, Mr. Cecil Smith as our guest. On behalf of all the honourable members, I welcome you here.

REPLY TO MINISTER'S STATEMENT

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I'd like to thank the Minister of Education for his announcement in respect to the support for education in 1976. This announcement has been looked for for some time and comes at a period, particularly when the Winnipeg School Boards are having to make a submission of their budgets to the City of Winnipeg within the next day or two so I'm sure they will welcome this announcement.

Mr. Speaker, we will have an opportunity of course to study this in detail, but I note that the total increase in assistance which the Minister has announced will be \$16.6 million and we are expecting perhaps a 14 percent average increase in the cost of education throughout the various school divisions during the coming year and in order to simply maintain a proportionate support for education it would appear that the amount of increase this year should have been in the neighbourhood of \$25 million.

Mr. Speaker, with a grant of \$16.6 million in total I would think there will be perhaps a greater burden upon property tax owners in 1976 in proportion to the total cost of education. We had hoped, and there have been frequent statements from the Minister that some relief would be granted to property owners in our province; and we see that as a result of this increase in terms of the general increase which we are going to face in education that the proportion of the total cost of education born by property owners in the Province of Manitoba is going to increase.

Mr. Speaker, we will as I say, study this in greater detail, but we are somewhat dismayed by the amount of the increase which does not cover the inflationary increase in the total cost of education.

REPLY TO MINISTER'S STATEMENT

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; 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 and ask him, can he confirm that a number of senior public servants in the Department of Education who were given their termination back several weeks ago, these including a number of the inspectors from the Inspection Staff, have in fact now been relocated in the government.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: If the honourable member would repeat the first part of the question with reference to termination, I'm sorry, I missed that.

MR. CRAIK: Mr. Speaker, the question is whether or not the Minister could confirm that the number of people, senior people including those on the Inspection Staff who were given their terminations back several weeks ago, have now in fact been given positions or have been relocated in other departments of the government.

MR. HANUSCHAK; Mr. Speaker, I'm not aware of anyone who was given a notice of termination of employment, but I may indicate at this time that from year to year staffing changes have to occur and re-assignment of duties does occur, and that is part of an ongoing process; as it has occurred in previous years no doubt will continue in the years to come.

MR. CRAIK: Mr. Speaker, I wonder if the Minister might like to - I wouldn't like to suggest here something that hasn't happened - I wonder if he would check with his Deputy Minister and see whether a number of people were not in fact given their terminations about one month ago, so that we might confirm that. I wonder at the same time whether he might just check and see how many senior people, Inspectors or otherwise, who are at less than retirement age have still been given their termination from employment with the government.

MR. HANUSCHAK; Mr. Speaker, I don't feel that I need take that question as notice, because I am aware of the fact that there is no one in my department who has been given a notice of termination, not unless there was cause.

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

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the Honourable First Minister, and I preface it by saying it's not meant as a facetious question at all.--(Interjection)--

MR. SPEAKER: Order, please. Let us hear it.

MR. SPIVAK: It refers to the pronouncement by the Prime Minister of what should have been obvious guidelines for his Ministers with respect to their conduct with members of the judiciary. I wonder if the First Minister is in a position to indicate whether he has either declared or is prepared to declare a policy with respect to his Ministers and heads and members of administrative boards and commissions.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I have felt that my colleagues in the Executive Council have sufficient good judgment so as to deal with any hypothetical problem in terms of talking to members of the judiciary or whomever. I am not aware, frankly Sir, on the basis of all my experience to date in this office, that there is need to rethink any kind of guidelines in that regard. And I might add finally, Sir, that it is not whether two human beings talk to each other but rather what they say.

MR. SPIVAK: A further supplementary. Has the First Minister as a matter of policy determined whether - or his wisdom in declaring a policy with respect to matters that are before commissions and boards, in which there may very well be an interest of the Minister with respect to the conduct of the Minister in connection with a particular matter.

MR. SCHREYER: Mr. Speaker, I think that on reflection my honourable friend will agree that there are two basic approaches to civil government, and for all I know

ORAL QUESTIONS Cont'd.

(MR. SCHREYER cont'd)they're both equally valid; one is the Napoleonic, which insists on codifying everything, and the other is the British Parliamentary tradition. We Sir, and I, Sir, follow the latter.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. Mr. Speaker, I direct a question to the First Minister. It comes about as a result of the weekend announcement out of Ottawa indicating the funding for the Crocus project is being proceeded with. My question to the First Minister is, can he indicate to the House the degree of financial commitment the Provincial Government has entered into in this project?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Minister of Agriculture had meetings, and the officials of the department had meetings with representatives of the dairy producers and certain corporate dairy operations just last Thursday and/or Friday. I haven't been briefed up with respect to those very recent meetings so I would prefer to take the question as notice for my colleague.

MR. ENNS: I direct a question then to the Minister responsible for the Manitoba Development Corporation or Fund. Has he approved of any application on the part of either the Department of Agriculture or the Manitoba Milk Producers Board for a specific amount of funds dedicated to this project?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the honourable member will be aware that under the guidelines of the Manitoba Development Corporation I don't approve or disapprove of initial applications unless the government states so. The government indicated to the honourable member last year that the government requested an advance of some \$150,000 for Feasibility Studies. To my knowledge the Manitoba Development Corporation has not made any commitment for the construction of the facility that the honourable member is referring to. I want to make it clear that I do not approve or disapprove of the applications unless they are either requested by the government under Part 2, in which case it is done by Order-in-Council for the world to see; or unless the Corporation is advancing funds to an institution where the initial loan has been overexpended and they are making another loan. That is only done following recommendation to the Minister and with the approval of the Minister. That doesn't apply in either of these two cases.

MR. ENNS: Mr. Speaker, I redirect a final supplementary question to the First Minister appreciating the fact that the Minister of Agriculture is not in the House to ascertain particulars of the project, can the First Minister confirm what the weekend news reports indicated, that the decision to proceed with the Crocus project has in fact been taken with the aid of the federal funding.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there hasn't been a confirmation of the DREE offer and an acceptance thereof. There is still need to finalize certain very specific arrangements with all of the major interested parties, so that of necessity I must be less than definitive just here and now. I will undertake to have an answer for my honourable friend within 24 hours.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable the Minister of Renewable Resources. I wonder if he can inform the House now of the amount of funds available to northern fishermen to proceed with the ice harvest.

MR. SPEAKER: The Honourable Minister of Renewable Resources.

MR. HARVEY BOSTROM (Minister of Renewable Resources and Transportation Services) (Rupert's Land): Mr. Speaker, in answer to the honourable member's question, the offer still stands as I indicated last week. Cabinet has allocated approximately \$250,000 which would be available for the transportation of northern fish, if and when the Federal Government comes through with the other half of that amount, the other half of the total amount required, which in our calculation is approximately half a million dollars.

MR. BLAKE: Thank you, Mr. Speaker. I take it then that if the federal funding

ORAL QUESTIONS Cont'd.

(MR. BLAKE cont'd) is not forthcoming, that these funds will then be not available from the Province of Manitoba.

MR. BOSTROM: That is as it stands right now, Mr. Speaker, yes.

MR. BLAKE: A final supplementary, Mr. Speaker. In connection with the ice harvest, would the Minister not agree that this should be well under way by now. It's a bit like building winter roads in April if we don't proceed immediately with the storing of ice.

MR. BOSTROM: Mr. Speaker, I am informed that the ice harvest is in fact completed in many areas. There may be one or two areas in northern Manitoba where ice has not yet been put up, but in many areas it is already up in fact.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Minister of Corrections and Rehabilitation. Can the Minister confirm that the Director of Corrections, Juvenile, and the Director of Corrections, Adult, resigned last week?

MR. SPEAKER: The Honourable Minister for Corrections.

HON. J. R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation) (Winnipeg Centre): The answer to that question, Mr. Speaker, is contained in Hansard.

MR. BILTON: I have a supplementary question. In light of the fact that I haven't got it from Hansard, would he mind confirming or denying what I've asked him?

MR. BOYCE: Mr. Speaker, I was brief in the interests of time. I did answer the question proposed by the Member for River Heights.

MR. BILTON: Mr. Speaker, I believe I asked that question a week and a half ago. I am asking if these gentlemen resigned last week.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Education. Can the Minister indicate that in view of the decrease in equalization grants coming to the City of Winnipeg whether the Minister or his department have any intention of providing additional direct grants to help support many of the special programs in the City of Winnipeg, particularly those in the core area?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: First, Mr. Speaker, I wish to correct the honourable member in the sense that there is no decrease in grants to any school division in the Province of Manitoba. If the honourable member looks at the sum total of the two he will find that there is no decrease. I am well aware, Mr. Speaker, of the problems and educational costs which have to be borne by the Winnipeg School Division, which no doubt are peculiar or unique to an urban division, particularly one that has within it a core city area. At a recent meeting with the Winnipeg School Division Board and senior staff, we asked the Winnipeg School Division to identify those areas of additional expense to them, which they have done, and that presently is being reviewed by my department.

MR. AXWORTHY: A supplementary, Mr. Speaker. In view of this review that's been taken concerning the special costs borne by the school division, can we then expect that the government will be providing additional support for many of these programs, in light of the fact that whatever increase is passed on with the Winnipeg School Board is only enough to cover general inflationary trends for school costs.

MR. HANUSCHAK: Mr. Speaker, that'll depend on the outcome of the review.

MR. AXWORTHY: A supplementary, Mr. Speaker. Considering that we have to wait for this review to be completed, can the Minister assure us that the review will be completed within a matter of a week or so so that the planning and the development of these programs can continue unhindered, unhampered, without further delay.

MR. HANUSCHAK: Mr. Speaker, the vast majority of my staff are products of our school system wherein the three Rs have been taught and are being taught, and they're very proficient and efficient in the application of their mathematical and accounting skills, they work as quickly as they can.

MR. SPEAKER: The Honourable Member for Gimli.

MR. JOHN C. GOTTFRIED (Gimli): Mr. Speaker, my question is to the Minister of Public Works. Could the Minister inform the House how the proposed expenditure of

ORAL QUESTIONS Cont'd.

(MR. GOTTFRIED cont'd) \$3 million by Canadian National Railways for their training school will translate into employment opportunities at the Gimli Industrial Park?

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Mr. Speaker, I believe that this would happen in two ways. First of all, that there would be some opportunity for local residents to participate in the construction of the facility, that depends on their skills and the demands for general labour; and secondly, there of course will be some increase in maintenance staff and possibly personnel who work at the Industrial Park in the restaurants etc., so there should be some impact from both of those.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Tourism, Recreation and Cultural Affairs. I wonder if the Minister could advise the House in light of the allegations and charges against the Liquor Control Commission over the weekend due to misleading advertising, if the Minister is now prepared to investigate it and hopefully put an end to this unfair practice or abuse.

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

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I'm not in a position to judge allegations at this stage. They are being reviewed and action should be taken.

MR. MCKENZIE: I wonder, Mr. Speaker, if the Minister would advise the House the name of the advertising agency where they released or drafted such misleading information through the medium of the Liquor Commission.

MR. TOUPIN: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, to the Minister of Corrections. Is it true that the Minister's new policy of four evenings per week resulted in many wives and sweethearts being turned away because of overcrowding.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, I have a question for the Minister of Renewable Resources, and it relates to press reports and a direct quotation from the Federal Member of Parliament for Churchill where it is alleged that no efforts have been made on the part of the province regarding the fish transportation subsidy. I want now to ask the Minister, what representations has the province made to the Federal Government in an attempt to have the Federal Government pay their share of a needed \$500,000 fish transportation subsidy for northern commercial fishermen, and could this be described in a chronological sequence of events.

MR. SPEAKER: The Honourable Minister of Renewable Resources.

MR. BOSTROM: Mr. Speaker, that would be rather lengthy since negotiations have been going on for approximately a year or more at the present time. It began as far back as January of 1975 when we made first contact with the Minister of Indian Affairs and the Fisheries Minister in Ottawa. In fact I talked with them personally requesting assistance for northern fishermen in the area of a transportation subsidy. We followed this up with a letter to the Minister of Indian Affairs whom we thought in the Federal Cabinet was the one most directly responsible, particularly in light of the number of treaty Indian fishermen in northern Manitoba who would most benefit from a transportation subsidy. We have followed this up again this fall when I had a further meeting with the Minister of Fisheries in Winnipeg, in which this issue was again discussed. At that time we had agreed to hold a meeting at an early date with all the Ministers in the area of the Fresh Water Fish Marketing Corporation, that is all of those Ministers from the area that is served by the Fresh Water Fish Marketing Corporation to discuss this issue among many others. That meeting has been subject to many delays for one reason or another. I've been insisting that it take place as early as possible. I now understand it will be held in Winnipeg on March 26th, at which time I certainly am going to demand an equitable treatment for the inland fisheries by the Federal Government. And one of those areas in which we will be asking for assistance is in the area of fish transportation subsidy.

ORAL QUESTIONS Cont'd.

MR. DILLEN: Yes, Mr. Speaker. I would like to know from the same Minister what Federal department would be a net beneficiary of a transportation subsidy in terms of reducing the amount of social assistance being paid out.

MR. BOSTROM: Mr. Speaker, that would logically be the Department of Indian Affairs whose department supplies most of the social assistance to Indian reserves.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: My question is to the Minister of Mines and Natural Resources and Environmental Management. It relates to the Manitoba Development Corporation. I wonder if he can indicate whether the Provincial Auditor has completed his review of Flyer Industries.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Provincial Auditor is dealing with Flyer Industries as a normal course of his duties as Auditor of the Manitoba Development Corporation and as a result of the last statements of the company in order to deal with a usual audit. I am not expecting a report to the Legislature in connection with that audit. And I do not have any report from the Provincial Auditor at this time indicating that he has either completed - I don't expect he ever will be because he is the ongoing auditor for the MDC.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister as Minister of Finance. In the Provincial Auditor's report, he specifically indicates that with respect to Flyer Industries Limited that he was given authority by the Minister of Finance to commence an independent review. Has he in fact commenced that review and is it complete?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, my honourable friend makes a statement, there is nothing interrogatory about it.

MR. SPIVAK: Mr. Speaker, again I say to the First Minister. On page 20 of the Provincial Auditor's report filed and tabled in this House by his government, the Provincial Auditor indicates that an independent review has been commenced with respect to Flyer Industries Limited and that he has been given that authority by the Minister of Finance. I ask whether that review has been completed.

MR. SCHREYER: Mr. Speaker, I'll get the answer for my honourable friend.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Education again. Can the Minister indicate in his announcement of the financial supports for the public schools whether there are any monies allowed within those grants or supports for the implementation of Section 9(2) of Bill 58 dealing with the children's learning disabilities being mainstreamed into the school program.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: The Special Needs Task Force which I had appointed earlier in the year is now completing its assignment and there will be funds made available to school divisions to assist them in the planning and the establishment of a program to meet the special needs of children within the regular school operation.

It's become apparent, Mr. Speaker, that before any funds or grants are made for a special needs program, that the first step to take is the proper planning and preparation for it, and that will be undertaken firstly.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the Minister indicate what the amounts of those grants or the nature of those grants might be for the planning and development of the special needs programs in the schools.

MR. SPEAKER: The Honourable Minister.

MR. HANUSCHAK: Yes, Mr. Speaker, I will be able to indicate that. As soon as we get to the Estimates of my Department, I will be happy to deal with that item.

MR. AXWORTHY: Well, thank you, Mr. Speaker. Could the Minister indicate or give some indication when he thinks that Section 92 of Bill 58 might in fact be proclaimed as a working piece of legislation in the province - what his scheduling is.

MR. HANUSCHAK: Well as I have indicated, Mr. Speaker, the planning and preparation for the implementation of the often referred to mandatory legislation section

ORAL QUESTIONS Cont'd.

(MR. HANUSCHAK cont'd) of the Act is under way, and again we would hope to move along as expeditiously as we possibly can.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if I'm to undertake to get certain information for my honourable friend, the Member for River Heights, perhaps he might be more specific in his question with respect to the matter of the form of audit that he refers to in his earlier question. I just say to my honourable friend it is my understanding that the corporate audit of Flyer is done by a firm, either Deloitte, Haskins and Sells or Touche, Ross and Company, one of the major auditing firms. Is my honourable friend now wanting to know if there is or was intended to be an audit, yet another audit of the corporate operations or a review by the auditor of the Auditor's Report, that is to say Touche, Ross or Deloitte, Haskins and Sells. There's a difference after all.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, this may be a bit unusual but I hope that I'll be allowed just to simply refer to the paragraph and read it, I'll only read three sentences of it and then indicate my question.

The Provincial Auditor on page 20 states, "Because of the substantial involvement of the Manitoba Development Corporation's senior officers in the operation of Flyer Industries Limited, the monitoring of this account was discontinued. As a result an independent review of this operation was not available for our inspection. Because of the difficulties which were being encountered and because of the substantial public funds which were involved I have recently asked that my office be authorized to carry out a review of this operation to ensure the difficulties have been or are being effectively resolved. The Minister of Finance has given me this authority and we have now commenced our review."

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question is for the Honourable the Minister of Industry and Commerce in his capacity of Minister Responsible for Transportation.

What new initiatives has the Minister or his department undertaken in recent days which would lead to the re-establishment of air service in western Manitoba, that is Brandon and Dauphin. Has he undertaken any new initiatives with the Federal Government or with any of the air carriers who might be interested in serving that area in recent times.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, there is ongoing dialogue.

MR. MCGILL: A supplementary question, Mr. Speaker. Is it his government's position that failing the taking up of the option to buy to Saunders Aircraft by the Federal Government that his government will not participate in a financial way in any re-establishment of this air service.

MR. EVANS: Mr. Speaker, we are still trying to find out exactly what the Federal position is.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Speaker, my question is for the Minister of Renewable Resources: I'd like to ask him why it took more than two years from the time he endorsed a position of support for transportation of fish in Northern Manitoba, why it took more than two years before any action was taken by the province.

MR. SPEAKER: The Honourable Minister.

MR. BOSTROM: Mr. Chairman, I think the honourable member must be a bit wrong in his timing. I said one year. It was just about a year ago when we first approached the Federal Government on this in concept and it was a few months later when we made the offer directly of our part of the cost sharing. We still have as yet had no positive or negative answer from the Federal Government on this. Neither the Minister of Indian Affairs nor the Minister of Fisheries has replied in the positive or the negative.

MR. GRAHAM: Well, Mr. Speaker, maybe I can rephrase the question so the Minister can maybe give us the proper answer. Why would it take the Minister more

ORAL QUESTIONS Cont'd.

(MR. GRAHAM cont'd)than two years to initiate programs which he supported in debate in this House more than two years before he even started to take action?

MR. BOSTROM: I still maintain, Mr. Speaker, that the honourable member has his time extended a bit because it hasn't been two years since I've been a Minister of this Department. It was a month or so after I was appointed that I began to pursue this particular concept.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I wonder if I may address a question to the Minister of Health and Social Development and ask him if he has yet had time to determine whether members of his department are in fact requiring private social agencies to transfer property rights of their assets on dissolution to the Crown or the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I was waiting for the members to give me a chance to answer. I have the answer here. I think that the question asked of me last week was: could I confirm whether officials of my department are notifying private social service agencies in the province that upon dissolution of their operations, those agencies that received grants must cede all their property to the Province of Manitoba. I want to say first of all that it is my intention to elaborate on this and other related issues during the Estimates. But because I have stated, and I still state the same thing, that I haven't heard of any cases where we are asking to turn over all their property whenever they close, I would like to confirm - not to mislead my honourable friend - that at this time we are negotiating capital funding agreements with certain agencies that provide residential care and services.

In order to ensure continuity of operations and provide proper accountability of government funds, we are negotiating agreements which guarantee, subject to the voting of the necessary funds, ongoing government financial support for residential facilities and services operating in the child welfare, mental health, and mental retardation fields. In return for such commitments we are asking that recognition be given to government contributions provided for the acquisition of capital assets and major renovations, or for the payment of mortgages, the proceeds of which were used to acquire capital assets. In effect, Mr. Speaker, we are negotiating agreements which provide for the security of public funds in the event of dissolution or discontinuance of the agency's services and facilities. I might say that this is not new policy, nor indeed one introduced by this government. Arrangements of this nature are in existence way back to 1957 and 1966 which represent the three different parties in power.

MR. AXWORTHY: A supplementary, Mr. Speaker. There are several questions I have. But the last statement of the Minister I find somewhat disturbing because I would ask him to confirm whether or not there was not a decision taken by the Provincial Cabinet of the Province of Manitoba some time last November or December establishing this as a policy. The question is: is the policy not simply that they would secure assets but would in fact take over full rights and possession of all property and assets of these private agencies upon dissolution.

MR. DESJARDINS: That is what I answered last week. This is not the case. We are only protecting the assets owned by the people of Manitoba. It is not a question of taking over these.

MR. AXWORTHY: Well just a supplementary, Mr. Speaker. Would the Minister be prepared to table copies of those agreements that are being discussed and negotiated so that the exact terms could be publicly disclosed.

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

ORDERS OF THE DAY

MR. GREEN: Mr. Speaker, I would like to indicate to the honourable members that I want to go into Supply this afternoon and then come out of Committee at 4:30 to remain in the House for the balance of the day because the Honourable Minister for Urban Affairs will not be here tonight. So we would be left with the Order Paper, those bills that are to be introduced and those we are now debating on second reading, plus the resolution relative to the Ombudsman this evening. Now it might or might not be a full evening but I think it's preferable to deal with it that way on the assumption that we will have a full evening.--(Interjection)--

Yes, as well the Minister for Public Works is ready to proceed with the Committee on Public Works in Room 254 at the same time that we are in Supply in the House on Urban Affairs. So, Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER: Order please. Let me place the motion first then the honourable member may speak.

MOTION presented.

MR. SPEAKER: The Honourable Member for Lakeside.

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MR. ENNS: Mr. Speaker, it is with some regret that I choose at this time to use the privilege granted to me to express a grievance, a grievance that I feel in a personal way as a member of the House and a grievance on behalf of the taxpayers, consumers, and primary producers in the Province of Manitoba. I refer specifically to the developments over the weekend which we have been skating around with for the past several years and it's to my sorrow the First Minister chose to do the same this afternoon. I wish to speak on this grievance notwithstanding the fact that the Minister of Agriculture is not in the Chamber because most of my remarks really will be directed to the government as such and the First Minister in particular.

Firstly, Mr. Speaker, let me establish very clearly some area of responsibility. It's the clearest understanding that I have had from the announcements over the weekend emanating out of Ottawa that the Department of Agriculture under the direction of the Minister of Agriculture is proceeding with the development of Crocus Foods Limited. The announcement at Selkirk, the announcement by the Federal Minister of the granting of the DREE funding for this project and the acceptance of that funding by the Manitoba Milk Producers' Marketing Board and the Department of Agriculture indicate to my mind, despite what the First Minister indicated this afternoon, that that decision is firmly made.

Now, Mr. Speaker, I do devoutly hope that there may be at this final hour, this eleventh hour some substance, some hope for a further plea. I want to assure honourable members opposite that thereafter the word "Crocus" will probably fade from its daily usage in this Chamber although not its importance. It will I will prophetically say come along with those other words that have become so famous in Manitoba vocabulary, Saunders, Flyer and a few others that come to mind.

Mr. Speaker, it was only last week in this Chamber that the Minister of Agriculture for this province indicated to us, after I had outlined the proposition that he was making to the large dairy co-operative, Manco people, with respect of going into a partnership arrangement on Crocus Foods, he then stood in his seat and charged the members of the opposition - I'll be more specific - in particular the Members of the Conservative Party, that if because of the misinformation that we were disseminating around the province Manco, the co-operative failed to take up the offer that was then being negotiated and talked between the Department of Agriculture, the Manitoba Producers' Marketing Board and the Dairy Co-op that the issue would be closed. I read specifically from the Hansard of the day, March 4th, on page 621 where the Minister of Agriculture says, "Now if they choose not to take up the offer, Mr. Chairman, the issue is closed. If the producers of this province choose not to take up that offer" - and the offer that I'm referring to is the one that I explained and read in some detail in this Chamber last week, the offer that

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(MR. ENNS cont'd) involves the setting up of that giant universal co-operative eventually with Manco as being part of that convertible co-operative. The Minister last week told us that if the producers of this province choose not to take up that offer they will forego Federal DREE money; they will forego Provincial money. That was last week that a Minister of the Crown in this Chamber told us that. When do we get some honest words from members opposite on this subject matter? --(Interjection)--

A MEMBER: We never did yet.

MR. ENNS: Mr. Speaker, that was the Minister of Agriculture last week. Over the weekend the Federal funding is announced; the acceptance of that Federal funding is announced. By whom, Mr. Speaker? By whom? And that is the question that we have to ask ourselves. Mr. Speaker, is it being asked by the dairy producers of this province who are already being taxed for that project despite the fact that they have little or no representation on that board? Ladies and gentlemen - that's a speech I'm going to make on the hustings. But, Mr. Speaker, Mr. Speaker, you know revolutions were caused by that kind of taxation without representation.

On the contrary, Mr. Speaker. You have every indication that nobody in the industry of prime producers want it. I quote from the Manitoba Milk Producers' Co-Op Association Limited which is a large group of dairymen in the Province of Manitoba. They forwarded as late as May 8th, 1975, last year, the following resolution: "I've been instructed by the Board," and this was sent to Mr. Arnold Eady, the appointed Chairman of the Manitoba Milk Producers' Marketing Board.

"Dear Sir: I've been instructed by the Board of Directors to send you the following resolution carried unanimously at the regular board meeting of May 6th, 1975, for your information.

"Resolved that we cannot accept the concept of Crocus Food Products Limited with the limited information we have on the project at the present time, and

"Further that when we are in possession of this study we want the Association Council to look into the whole matter before making a decision."

Mr. Speaker, they never did receive that information. That was last year in the spring. They never did receive that information; they never had that opportunity; they were never asked. But they are being deducted five cents for every 100 pounds of milk that they produce for a project that up until this afternoon the First Minister would lead us to believe is still not in actual fact happening.

Mr. Speaker, the dairy industry has indicated to them, the existing industry has indicated to them that they are prepared to help out in the solution to the whey problem if indeed that is such a big problem.

Let me read to you some of the concerns expressed by the major partner whom as of last week was to be part of the universal co-operative that was to be formed; who, Mr. Speaker, the Minister of Agriculture indicated that if that offer wasn't taken up the matter would be closed. They indicate that these are among the things that we have to consider with respect to the building of this plant.

Question: Is Selkirk the right place?

Yes, there are great quantities of milk produced around Winnipeg but nearly all of it is required for the fluid trade in this city. Remember we're talking about the processing within the cheese industry and the whey problem that that involves.

Another point they raise: Selkirk is basically a suburb of Winnipeg, or will be in the near future. Should the plant be built further away from Winnipeg if it's going to be used for industrial purposes only? By building at Selkirk are we contributing to more Winnipeg centralization? Or should the trend be to develop these kind of plants in rural Manitoba, in rural areas? Manco, Manco does need facilities at Winkler. There should be serious consideration given to this need. This is the largest dairy co-op that we have, this isn't Beatrice Foods Limited, this isn't Modern Dairies, this is a co-operative that is asking this government to consider whether they can allow them to expand their facilities in places where they wish to expand: in Winkler, in Pilot Mound, in New Bothwell, in Grunthal, in Souris, in Rosssburn, in Dauphin, in Arborg.

Mr. Speaker, this government--(Interjection)--No, but what this Minister has indicated is that these are closing up. These are closing up, will have to close up to feed this

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(MR. ENNS cont'd) . . . massive centralized dairy operation headed for Selkirk. Mr. Speaker, my remarks have to be directly to the First Minister. We can appreciate and in fact have supported him in his general approach, his attempts to coincide the feelings of Manitoba's operations in general, its fiscal operations, with that generally expressed acceptance for a restraint program in this province. Is the priority of this milk plant that high that we are now dedicating \$7 million to \$9 million on a project that nobody has asked him for other than his Minister of Agriculture? Is the \$7 million of \$9 million not more properly spent to relief of taxpayers right now? We've heard the Minister of Education talking about his relatively modest contribution to education costs; we know what the City of Winnipeg residents are going to face in terms of tax rises on their property, but we've got \$9 million to spend on a plant that no official organization, either primary producers or dairy co-ops or industry have requested. Now, Mr. Speaker, never mind the consumers, for whom surely lurks the biggest danger of all.

If the First Minister has to be informed of the facts that his own Minister of Agriculture indicated to us in this Chamber, that we are in the enviable position, Mr. Speaker, of having one of the best of all possible situations in the dairy industry here in the Province of Manitoba right now. Our prices to the consumers are the lowest, our prices to the primary producers are the highest. You really cannot improve on that kind of a situation.

Mr. Speaker, the Minister's own reports fortify that statement, that is not misinformation being disseminated by the Official Opposition. Mr. Speaker, on the contrary, we have grave concerns from people who are after all involved in the industry, no matter whether you find empathy for them or not; you do not, but that would indicate to us in headlines that, "Government Milk Plant Could Close Medoland." In other words, the plant at Bothwell. We know from the Minister's own statements - he nodded and I asked that that nod be recorded on Hansard - that the only way, if there was a question of supply for the new facilities at Selkirk, they would have to be drawn from existing facilities; they would have to be drawn from Pilot Mound, from Arborg, from Rosburn, from Dauphin. So what are you really doing? What are you really doing in terms of diversifying industry in this province? What are you really doing in terms of helping out an industry in this province? The Minister of Agriculture's only point, delivered to us this session, indicates that the existing facilities, processing facilities, the nine processing facilities that we have, both private and co-op, have sufficient capacity, have sufficient capacity to process all existing milk supplies and ample processing capacity for additional supplies. That's not misinformation being spread around this province by our wilful opposition, that's the Minister's own report telling us that in this Chamber.

Mr. Speaker, we have, we have above all this the very firm decision made by the Federal Government, the Federal Minister who to a large extent controls the production levels of this highly controlled industry, that says he's turning the tap off, that the rate of subsidization is being turned off. Because after all, even an arrogant Liberal Cabinet Minister can't stand selling 300 billion pounds of milk powder around this country at five and six and seven and fourteen cents a pound too often while Canadian taxpayers are paying 60 cents to produce it.

So, Mr. Speaker, that expansion within the industry is not occurring. Well that again, Mr. Speaker, is not misinformation being spread around by destructive orientated opposition parties. That, Mr. Speaker, is fact, and if he doesn't want to believe me then read Mr. Whelan's statements on that subject matter; understand the concern, understand the dire difficulties that so many, particularly young dairy people are going to be finding themselves into who have been encouraged, who have been lured into expanding their facilities and to expanding their herds, into buying more equipment on the basis of that hoped for increase in production, only now to have been told by our Federal Minister that the tap is being turned off.

Mr. Speaker, I want to acknowledge that the First Minister has some grasp, some feelings for just what people will stand for, will accept in this province. I want to understand that as the First Minister on the Treasury Bench, that he has a concern for how millions of dollars of taxpayers' money are being spent. It just, to use his phrase,

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(MR. ENNS cont'd)"boggles my imagination," that under these circumstances, under these circumstances, he is prepared to preside over a Treasury Bench that will allow or that would consider moving into this area. Mr. Speaker, I can understand if it were because of a great amount of political pressure being exerted on him by somebody, some segment of his supporters, of Manitoba voters. Mr. Speaker, I can understand how he has indicated support and has shown some compassion for other troubled areas in agriculture, such as the Cow-Calf Producers, and loosened the purse strings sufficiently for support in those areas. But, Mr. Speaker, I cannot accept, I cannot accept as a politician, as an understanding politician, of why the government during this particular period of time, when restraint is the word, restraint is a password of this First Minister, he is prepared to allow the Minister of Agriculture to experiment in his pet little seven, eight, nine million dollar plant. Mr. Speaker, I say, seven, eight, nine million because we don't know how much the plant is going to be. It started off, Mr. Speaker, it started off, Mr. Speaker, I remind you, in the initial stages, as a \$2 million dollar or a \$1½ million dollar whey plant to dry the product whey that is a by-product in the processing of milk. That's how this project started off, and it was generated under the ruthless hands of the Minister of Mines and Natural Resources and his Clean Environment boys; they went around telling the little private and co-operative dairy processors that you couldn't dump whey any more in this fair land of Manitoba, it was a pollution problem.

So we're going to solve the pollution problem and we're going to build a little whey plant, and indeed enhance the returns to the primary producers. Because whatever moneys were generated in this way it would be, instead of a waste, instead of a problem, it would be a return. Mr. Speaker, that's nonsense. We have letters written to the Minister of Agriculture by the largest processor in this province indicating their willingness to do the same thing, maybe not on the same scale, but certainly to look after a large percentage of the whey. And I refer specifically to the offer that is sitting on the Deputy Minister's office from Modern Dairies to do all of that, or most of that, at no public expense, at no public expense. Mr. Speaker, but do we have any recognition of that? No, Mr. Speaker, the question really boggles one's imagination as to why?

You know, the Minister of Mines and Natural Resources, the House Leader, he chooses to chastise myself particularly and the Member for Morris on occasion because he says we have nothing else to speak about, we search through some of the resolutions passed at past NDP conventions for speech material. Well, Mr. Speaker, I don't want to disappoint him, I did precisely that. I did not find the resolution, that of course I particularly wanted to find because, as may be known to you, Sir, Mr. Speaker, we did have a bit of vandalism at 23 Kennedy and had several fires and some of the juicier resolutions went up in flames, went up in flames. Maybe they could provide me of a copy of that so that I could enhance my speech.

But I found nonetheless just by going back to a few conventions the kind of resolution - and I speak seriously now, because there is no other reason - as those that are borne out in the general gist of these resolutions why this First Minister is prepared to put his reputation and the reputation of his government on the line, on an ill-found venture, on a venture for which we have never seen any feasibility studies for. I asked at the beginning of this session to let me in on these studies, let me see if they're feasible. I remember somebody else asking me those same kind of questions when I proposed certain projects with respect to Hydro and the answer was, "No". I can't support you if you're not going to give me and show me all those studies.

The Minister of Agriculture has the temerity to suggest in this House, that we aren't entitled to see those reports, we're not entitled to see the feasibility studies on this project, and we haven't seen them, Sir, to this day; we haven't seen them, Sir, to this day.

Mr. Speaker, just in recapping, and asking the question why? Why this desire to move on with this project?--(Interjection)--Well it can only have its roots in resolutions such as this. "Crown food complex. WHEREAS the cost of living continues to escalate rapidly." Of course, how misinformed they are. I mean if there's been a great escalation in costs it's been as a result of the government's activities in so much of our lives. "AND WHEREAS in some parts of Manitoba there is a large degree of monopoly power

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(MR. ENNS cont'd)in the food retailing business." I'll come to the resolve, Sir: "THEREFORE BE IT RESOLVED that the Government of Manitoba establish a vertically integrated non-profit food complex which would include Morden Fine Foods, a Crown dairy company, a wholesale company and a chain of supermarkets which would be responsible for the supplying of food services throughout the Province of Manitoba."

Well, Mr. Speaker, it's a start, it's a start. Or we have another one: "BE IT RESOLVED that the Government establish as part of the stay option," there's that word again, "a policy of aggressively" --(Interjection)-- 1973. Mind you, that's not even that late. I mean after all, any government that puts into operation resolutions passed at their party's - only two years hence, three years hence, still has to be considered moving pretty aggressively on the resolutions passed at their conventions. I don't think too many Tory delegates would criticize us if within our lifetime of a government, two or three years, we acted, we responded to the resolutions passed at our conventions. So, Mr. Speaker, it's quite in keeping.

This one says: "BE IT RESOLVED that the government establish as part of the stay option a policy of aggressively encouraging through co-op organizations" - now mind you, in this case the co-op organizations don't want to be part of them; they've rejected you, they've backed away because they don't like it. But that's not stopping you, that's not stopping you. "The Co-op organizations, and with the use of the MDC funds" - I'll have to come back to my Minister in charge of MDC on that one - "the development of food processing plants in the rural regions of Manitoba. And that further, since the aims of this policy be to encourage competition in food prices, that the government not give any financial aid to the present food monopolies." That's putting it pretty clear. We can withdraw all support, all services from the private sector, all services from the Department of Industry and Commerce, from the private sector, and encourage with massive amounts of public moneys, seven, eight, nine million dollars, the development of your universal co-operatives as we saw in this pyramid structure here. We call them convertible co-ops, it's a new phrase. I find it difficult to completely understand what you convert co-ops to, but your Minister, Mr. Minister, he has an answer, he has an answer. --(Interjection)-- He has. Well, we're starting from a co-operative, Manco, and we're going to convert that to a universal co-operative. That has a fine ring to it, that has a fine ring to it.

Mr. Speaker, I could understand it, I could understand it if the co-op movement in this province was asking for it, but they've rejected it. I could understand it if the milk producers in this province were asking for it, but they've rejected it. In fact, the Minister of Agriculture dares not, dares not to ask for a plebiscite, does not dare to ask for a vote throughout the milk industry, and there aren't that many. We've had votes on many other issues. When our administration was faced with commodity groups, producer groups wanting specific forms of legislation, we had no difficulty in asking for votes. We voted on whether or not the turkeys should be embroiled into a marketing board. We gave the broiler producers, whether they should be embroiled in a marketing board. Mr. Speaker, we gave the vegetable producers God knows how many votes, and they still screwed it up. But, Mr. Speaker, I'm sorry. The thing that has to be of pretty serious importance here, is this government doesn't trust democracy to work in their favour. The Minister of Agriculture made that very plain last year. He doesn't really like marketing boards because sometimes the wrong people get elected, so he's not that strong a proponent for marketing boards.

Well, Mr. Speaker, the Minister of Agriculture likes to act just the way he's acting now, just the way he's acting now, against public opinion on this subject matter; against the industry, which he has no empathy for at all. But, Mr. Speaker, it's surprising to me that the Minister of Agriculture wields such a force in that Cabinet that he can obviously prevail upon the First Minister who has shown some admirable response towards the needs, the real needs of this nation, the real needs of this province in terms of exercising restraint. Mr. Speaker, I'm not even prepared to acknowledge that the Minister and I are in any way on the same wave length on this issue. I'm just suggesting that he and I, and we all are, on a reasonably same wave length, and we have tried to indicate that to him in our support to him for his attempts and for his actions in trying

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(MR. ENNS Cont'd)to reduce unnecessary expenditures at this time at all levels.

Mr. Speaker, I suggest that here is a great degree of callousness being displayed by the First Minister and this government who know full well that the City of Winnipeg faces unconscionable tax rises this year. Not next year, which may be an election year and when a Santa Claus budget will be more convenient for them, but this year. And they can talk, and they can enter into an open ended agreement committing people who have never had a voice in the subject matter to be taxed as they already are at the rate of five cents for every 100 pounds of milk produced. And I want to tell the producers that that five cents is not going to stop at five cents, it's going to be considerably more. So what I said earlier, that pattern is going to change. The producers will be getting less and the produce to the consumer after we appoint a few more dozen bureaucrats after we've got a man and build that \$9 million plant; and after we close down the little plants at Rossburn and Dauphin and have to truck milk in eighty and ninety miles, and we've got trucks whizzing back, this way and that way. And the operators of the trucks say, look it, there's no money in this, so the government takes over the truck fleet.

Mr. Speaker, the consumers of this province will face high, high cost milk yet primary producers will find their returns reducing. That, Mr. Speaker, is my grievance this afternoon. That, Mr. Speaker, is what I want to throw back right on to this government, on to the Minister of Agriculture who last week, only last week, indicated that if this proposal, Crocus Foods, didn't go forward be it on the shoulders of the Conservative Party opposition here in this Chamber for disseminating willfully misinformation. Mr. Speaker, we have received no information on this project. We have received nothing but waffling on this project and, Mr. Speaker, I appeal, I appeal to the First Minister and to the other members of his treasury bench, not that I have a problem with respect to the plant being located in Selkirk.

I suppose maybe, you know, I say to the Honourable Minister of Municipal Affairs, maybe having taken the fish plant out of Selkirk and locating it in the Honourable Minister of Labour's Constituency of Transcona, feels some obligation on the part of this government to replace some of that employment. But surely you can't be that callous and say that that employment shall be replaced at the expense of taking 15 people out of work at New Bothwell or 20 people out of work at Dauphin or 19 people out of work at Pilot Mound. Mr. Speaker, that is the option that they are talking about. That is the option that they are talking about. That is the option that they are talking about. The logic of it, the politics of it, the common senseness of it escapes me.

But, Mr. Speaker, I haven't had an opportunity to caucus it with my Leader or with my party but I will be filing an Order for Return this week. I want to know the schedules of milk deliveries coming from these existing plants at this time, at this time. I want to tell the Manitoba Milk Board through you, Mr. Speaker, that a great deal of responsibility will rest on their shoulders because I will do my utmost within the influence that I may have to bring to bear on my caucus and on my leader that should we form office - and we will form office in 14 or 18 months hence - that rural decentralized industry will not suffer as a result of a pipe dream by this government and that if that plant runs inefficiently because of lack of product control, it will not be siphoned off places that are equally important to us.

Mr. Speaker, that responsibility rests with those who are making the decisions right now to commit millions of dollars to a project which has the very shakiest of foundations, a project that the milk producers have shown a hostility towards, a project which the industry has shown is unnecessary in this province. Mr. Speaker, if the First Minister and the Minister of Agriculture are prepared to carry on with their project on that basis because of the lure of a million dollars, \$300,000 DREE grant is so great they can't resist, or because simply the Minister of Agriculture like so many other ministers likes the idea of having a little plant tucked under his arm somewhere, then that responsibility rests on them.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the Honourable the Minister of Agriculture is unfortunately not here to respond. I cannot be as definitive as he would be, Sir, in dealing with the substance of the Honourable Member for Lakeside's remarks. But if

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(MR. SCHREYER cont'd)I cannot be completely definitive and precise and accurate in every respect, please do not worry, Sir, because neither was the Honourable Member for Lakeside.

To begin with I suppose I have to concede that he has expressed some nagging doubts and concerns which are not unique to him but are shared by a number of milk producers and a number of ourselves on this issue. The concept of Crocus Foods is not before us because of some preconception or preinclination of ideology on the part of the government but because there were many representations made to the government that there was need for a facility that would assist in the process of reorganizing some of the mis-structure in the industry. Only a fantastic egotist would pretend that there was no room for improvement in the structuring of the dairy or any other industry.

That does not mean to say that we do not have a good number of efficient producers. But we do have the product of years of, accumulated by degree, misdirection in the structuring of the dairy processing industry. What has compounded it further is that the Federal Government has got cold feet at this stage and has decided to cut back on its support for the dairy industry and in that sense the Honourable the Member for Lakeside is so completely correct that I can only join in supporting his observations. An element, a degree of chaos is thrown into the dairy industry now at the expense of dairy producers because of the rather peculiar conclusion of the Federal Liberal Government that Liberal cows only have three tits because that is the net effect of Federal Liberal dairy policy, to try and cut back one-quarter, cut back by one-quarter the amount of price support. Now, Mr. Speaker, the amount of milk production is . . .

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: I wonder if the First Minister wouldn't mind a correction. The word is "teats".

MR. SPEAKER: Order please. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'm a little embarrassed now because I think the Honourable Member for Lakeside is pulling my leg. I did not intend to use a vulgarism but, Sir, I grew up on a farm and never heard that particular expression. Be that as it may.

There is a serious problem when a government decides to back away in fright from a commitment of stabilization support to a given agricultural commodity industry. We in Manitoba of course are going to feel some of the consequence of that. It will be negative. But the issue of Crocus is something which was at issue even before that turn of events and maybe these turns of events are going to exacerbate and worsen the issue and the problem.

I've tried to understand all the nuances in all my honourable friend's statement here this afternoon and if I understand him correctly, he feels that either there is no need for a Crocus type facility or that if there is it is overscaled, it could be somewhat smaller, or that even given the first two it could be carried out by either a private dairy or an existing co-op or whatever. Indeed, you know that, Sir, is not something which we are automatically opposed to. I say there is only one caveat that so far as I'm concerned we attach to any future expansion in dairy processing. I've expressed it here over a year ago and I'll come back to that in a few minutes.

But in the meantime, my honourable friend obviously has had a briefing from different persons that have briefed me on this matter. He implies rather directly too, that in fact I suppose it could be said he asserts that the dairy producers themselves are not in favour of the Crocus concept. That's not my impression. My impression is that all but two of the members of that particular association or board are in favour of the Crocus concept and there are indeed the elected members, there are now, are there not, two elected members on the board and at least one and I believe both, but at least one of the two elected favours the Crocus concept.

When he says that we do not have enough faith in democracy to want to see decisions taken by elected representatives on these boards I hasten to point out to him that the previous administration oversaw the operations of a hog marketing commission. It was only after this administration was elected that a commitment was given to the ultimate election of the directors of that board, although admittedly the format of operation

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(MR. SCHREYER cont'd)of the commission was changed, but in doing that we did commit ourselves to election of the Board of Directors which was not the case with my honourable friends. In the dairy industry since 1937 there never was a commitment by any government for the ultimate election of members of the Board of Directors of a milk board. So my honourable friends I don't think can score any points or any yards arguing that particular attack. But that is perhaps, Sir, a digression.

The immediate point before us is on the ultimate advisability and feasibility of the Crocus concept and a plant under that concept scaled to the size of production that my honourable friend is talking about. Well obviously that can be very much a matter of debate as to degree. But the very concept itself I repeat is one which unless I am misbriefed is one which is not opposed but in fact reaffirmed only in recent days again as being wanted by a majority of milk producers, a board spokesman, and indeed by more than just an insignificant minority of the directors of Manco itself. Why not put that on the record as well?

As for myself, Sir, I would be happy if the co-operative or the co-operative in juxtaposition with the Producers' Association could work in some form of organizational harmony and in joint fiscal responsible fashion, financially responsible fashion. I have no reason to believe that that is impossible. So far unfortunately there have been some frictions which have thus far prevented that from being the case. We have certain targets to meet in terms of the DREE offer. The targets staring us in the face, we took action. Having taken the kind of interim action that we have which was made known this weekend we are still not closing the door to attempting once again to get the concerted cooperative action of the producers' group and Manco to try and make this a reality.

As to arguments as to location, that is another and separate issue. I know that last year had Crocus - there is consolation I suppose in every negative occurrence, Sir - had Crocus Foods been formally proceeded with a couple of years ago, as sure as I stand here I'm sure some honourable members opposite would have then accused Crocus of being the direct cause of the demise of Arberg, the Arberg Cheese Plant. Northstar, I believe it's called. But in fact, Sir, there is no Crocus plant in operation yet. But in the meantime, the inexorable forces of the marketplace, which my honourable friends love so much in all of its unmodified glory, has caused the demise of the Northstar plant at Arberg and that surely cannot be put at the doorstep of Crocus for the simple reason that Crocus doesn't exist yet. So you see that is at least one consolation in terms of keeping the facts straight and the sequences straight as to why we are in the kind of difficulty we are.

I say also to my honourable friend that insofar as the generality of our dairy processing industry is concerned that I would hope that he would be objective enough and I think he certainly can be, that one of the problems we have in our dairy industry in Manitoba, and I don't fault the predecessor administration alone, is the fact that the capacity for cheese manufacture in relation to milk powder or milk drying capacity is out of balance. It is disproportionate and therefore in the face of a Federal dairy policy which price supports powdered milk, and until recently rather well, and provides nothing near that in the way of cheese policy, you can see why it is desirable to make some moves towards increasing the incremental capacity for milk drying in relation to cheese making capacity. That's certainly one nagging problem that's been around for quite some time.

The other of course, with respect to whey processing there is an environmental aspect. There is also the aspect that my honourable friends like to talk about perhaps at least as much as we do if not more and that is that it seems somehow a pity that valuable protein which could be put into use is wasted and dumped, not only wasted and dumped but causing environmental problems at the same time. It would be nice, and I use the word "nice" here deliberately, it would be nice if there could be some economically feasible, or even approaching feasibility, way of handling that so as to make use of the protein and reduce environmental negative effect or environmental pollution accordingly.

That's the sort of genesis of or origin of the Crocus concept as to the particular mode by which it is carried forward and the specific scale of it that we have not yet

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(MR. SCHREYER cont'd)closed the door on. We do however want to maintain the Federal commitment until such time as we absolutely must conclude that there is no hope of fruitful joint action with the milk producers and/or the Manitoba Dairy and Poultry Co-op.

I say in conclusion that there are at least two points of fact here which my honourable friend and I, either one of us must have wrong. He can't be right and I wrong or conversely because they are not matters of opinion, they are matters of fact. That is when he suggests that there is no desire on the part of representatives of the dairy producers, I have to say to him once again that only in recent weeks and in recent days there has been a reconfirmation of a substantial majority wanting the advancement of the Crocus concept. And I say to him also that there is more than a small minority in the Manitoba Dairy and Poultry Co-op that have indicated that they would be disappointed if this concept were merely dropped, simply dropped and replaced by either nothing or by a conventional approach. And the conventional approach - and I come back to this point now - as a matter of government policy, we do not show any kind of hostility to foreign investment - I don't believe any more than most governments in Canada. We acknowledge the importance and the need for private entrepreneurial activity but, Sir, when a private firm that is foreign owned is in a position of substantial oligopoly then we do not intend to let the licence of the Crown be used to exacerbate the oligopoly situation even more.

QUESTION put, MOTION carried, and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair for Urban Affairs and the Honourable Member for St. Vital in the Chair for Public Works.

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MR. CHAIRMAN: I refer the honourable members to Page 47 in their Estimates Books, Department of Public Works. Resolution 102(a) the Minister's Compensation. The Honourable Minister.

MR. DOERN: Mr. Chairman, I want to make a short general statement at the commencement of our Estimates to say, first of all that I'd like to take this opportunity to thank our staff in the Department of Public Works for their devoted service in an arena which on a day to day basis can often be most frustrating. As a service department we are called upon to respond to the demands of existing, expanded and new programs generated by line departments and government agencies. We are called upon to provide the full gamut of government services and for the past two years have been faced with spiralling costs. We have tried to compensate for this by introducing more efficient methods and procedures in the operation of the department.

To give you some indication of the inflationary trends that we have had to cope with in the past few years maintenance supplies were up 32 percent over 1974 and are projected to increase by 17 percent over 1975. Utilities are expected to increase by 27 percent over 1975 and fuel is projected to rise by 33 percent over 1975 plus a further 15 percent increase associated with the short availability of natural gas. Building repairs, both labour and materials are expected to increase by 14 percent over 1975 with furnishings and renovations projected to increase by 20 percent. This will be reflected in the budget as it unfolds before you.

To give you some indication of the magnitude of our responsibility we are presently responsible for some seven point million square feet of space, both owned and leased, which we must operate and maintain in the most efficient way possible. In connection with the square footage previously mentioned there are acres of parking lots and acres of green areas and associated roads that must be maintained.

In the Central Services Division we are responsible for the purchase of some \$60 million worth of goods for line departments covering almost every available product line. As a service department it is difficult to hold the line when faced with the price increases previously indicated. However, we have managed to keep the budget increase below 10 percent, which in itself is a feat of some magnitude. In so doing we risk the possibility that our services will be curtailed to some extent. We expect to offset the budgetary limitations by more efficient use of the funds available. To this end the

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(MR. DOERN cont'd) Maintenance and Operations Division of the Department has developed energy conservation programs which have shown significant savings in the consumption of fuel. Indications to date are that we have reduced fuel usage by some six percent, which amount does not necessarily show up as a dollar saving as inflationary factors have continued to eat away. We intend to continue this program by further tuning of our physical plants and through an educational program directed at our staff and civil servants in all government buildings. We hope that our message of energy conservation will spread to the homes of all government employees and eventually to the public at large.

We take seriously the prospect that within 20 years the world-wide fossil fuel supply will have reached the point of crisis and are looking towards other means of heating our buildings and propelling our vehicles. To this end we have bought several electric vehicles which we are presently evaluating. We are significantly reducing the size of the vehicles in our fleet from standard and intermediate size to that of compact and subcompact. We expect that we will be able to construct a solar demonstration project on the roof of this building to determine the feasibility of solar energy and at the same time demonstrate to the public that we, indeed, are conscious of the need for alternate sources of energy.

I'd like to comment briefly on the - well I think, in fact, I'll skip the internal section on the organization of our department and mention in conclusion that we have developed recently office standards which are stringent and really have not been accepted with enthusiasm by some of our clients. However, we are prepared to make them stick.

In conjunction with space standards, we will be applying standards for furnishings and furniture which will also produce significant economies. We are not standing still. We are continually striving to get the best value for every dollar spent.

MR. CHAIRMAN: Resolution 102(b), Administration (1), Salaries. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Mr. Chairman . . . secondly, the amount of cars that you've bought, how they're operating and what the foreseeable future is going to be and along this line, if the Minister could expand a bit on that please.

MR. DOERN: Well, Mr. Chairman, I think I could use some guidance there. There is a sub-section in the Estimates specifically dealing with vehicles, and I was just wondering if it wouldn't be better to wait till we get there. --(Interjection)-- Yes. That would be Resolution 104(b), or (3)(b), Central Provincial Garage.

MR. CHAIRMAN: Resolution 102. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, under the item (d) Leased Accommodations. I wonder if the Minister could give us some idea of what leased accommodations are currently being rented, and what is that particular item of \$54,000, Recoverable from Canada? Oh, I'm sorry, I'm away ahead of myself. It's all right. Go Ahead.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, when the Minister was making his remarks he said something about solar heat and said they'd be conducting a test. And did I hear you say on the roof of this building? Or what did you say there? I missed it.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, in that regard we have put together a project and we've been waiting I guess about a year from Ottawa, somewhat impatiently, hoping to construct on the roof of this building a solar demonstration project. That would simply be a series of what's called flat plate collectors. They are I guess long rectangular devices that when the sun's rays hit them they are able to collect the heat and transfer it by some system of piping into some boilers. We have a couple of very large boilers upstairs which haven't been used for years. They hold thousands of gallons of water and we thought that it would be interesting to develop the experiment here because, for one thing, we have some of the equipment now, thousands of dollars worth of equipment now - storage tanks, as my Deputy points out, rather than boilers - and the fact that there are thousands of people who come here, several hundred thousand tourists per year, we thought that we could have some sort of display downstairs to point out that in this very

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(MR. DOERN cont'd) building upstairs there is this experiment going on. We wouldn't allow people to go and see it because it's very difficult to allow people to get upstairs and, you know, along little corridors and narrow staircases, but simply as a public education program; and also to allow our people to gain some knowledge and expertise on this area.

MR. CHAIRMAN: Order, please. Members realize I'm sure that their remarks should be appropriate to the particular section under debate. The Chair will be guided by the Minister if some particular topic is better covered under another appropriation. We're on Resolution 102. Administration Salaries. The Honourable Member for Pembina.

MR. HENDERSON: Under what part can we talk about that then?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, Mr. Chairman, since I made it in my opening statement I'd be prepared to discuss it at this moment.

MR. CHAIRMAN: Well, order please. We will be coming back to the Minister's salary as the last item.

MR. DOERN: Well I'd have to say to the Chairman, I'm prepared to discuss it now, otherwise it should come under Minister's Compensation. It really sort of does not fit in here too easily.

MR. CHAIRMAN: Resolution 102(b)(1), Salaries--pass; (b)(2) Other Expenditures--pass; (b)--pass. Resolution 102(c) Planning (1) Salaries--pass; (2) Other Expenditures--pass; (c)--pass. The Honourable Member for Minnedosa.

MR. BLAKE: Just on that point. I notice the amounts are identical for each year on Other Expenditures. It seems a bit odd. Can the Minister comment on that?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, I must say that my reaction was identical to yours, and my department simply informs me that in that case, I think in terms of the Planning Department, there was some slight increase in staff. But they simply held the line on the expenditures.

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

MR. DOERN: We did not request an additional amount. --(Interjection)-- Yes.

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

MR. GEORGE MINAKER (St. James): Yes. Mr. Chairman, through you to the Minister. Under the Planning and Salaries there, he indicated there was an increase in staff. Can you advise if there is now a policy for the Public Works Department to do more of the design and planning of expansion facilities within the department, and were the people hired primarily to do this function?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, Mr. Chairman, there has been little change, if any, in that policy. We tend to use outside consultants and our people tend to monitor outside consultants or work with them.

In the Planning Division this is basically working on long term space requirements for Public Works, but these people are not performing in lieu of outside consultants. We are not, for instance, hiring less engineers or architects; we are hiring more outside consultants each year.

MR. MINAKER: Mr. Chairman, through you to the Minister. Would this department get involved at all with the Co-operative Housing Land Acquisition or planning?

MR. DOERN: No, we're concerned with basically office requirements, although we do have a number of special facilities under us and we do, for instance, planning for Frontier School Division and the community colleges, etc., but we don't really have any connection with them.

MR. MINAKER: . . . keeping of the planning that's done for, say, the Frontier School Divisions and other divisions, would this time be charged to that particular division and show as an expenditure in that part of the Estimates, or would it be included in this part of the Estimates?

MR. DOERN: The time spent here specifically, say, for Frontier School Division would be recoverable from them.

MR. MINAKER: And would it be entered as an expenditure here and shown as

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(MR. MINAKER cont'd) a revenue somewhere else?

MR. DOERN: Yes.

MR. MINAKER: We wouldn't be looking at the difference between the two?

MR. DOERN: No.

MR. CHAIRMAN: Resolution 102(d)(1). The Honourable Member for Pembina.

MR. HENDERSON: We have under Architects and Engineers - I hear complaints out in the rural areas often that the architects are very expensive for what they provide them with, and I suppose it's the same in your work. Is there a fixed fee for all the architects that do the work for you?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Are you speaking of outside architects that we hire?

MR. HENDERSON: Well the architects that draw up the plans for anything or even for a whole building.

MR. DOERN: Yes. You know, we have our own people who do very little design. I mean they do smaller projects on occasion but basically they're working with outside architects. Now when we deal with outsiders we have what they consider to be minimum rates. They claim that their fee schedule is eight percent for new buildings and 10 percent for renovations. We pay six percent for new buildings and eight percent for renovations. So we pay two percent under, and that doesn't make the Architectural Association overly happy. That's their fee schedule, but we do not agree that we should pay it.

MR. CHAIRMAN: The Honourable Member for Morris. The Honourable Member for Pembina.

MR. HENDERSON: I've heard it said and isn't there many of these buildings that go up from time to time that the same architect's plans could be used or the same old building plan, and that it's a needless expense to have an architect's fee included twice?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, you know, this really is an interesting question and, you know, we've debated it in Cabinet I think as well as in our department. I don't know, there could be certain areas where that would work. But I know that for instance one problem you'd have is that the site, the physical site, or land area that you have, a building always has to be designed in relation to a site. Say if you had a building that was ten feet wide and a hundred feet long and, you know, you have a square site or a rectangular site, it'll look better, and so on, depending on the relation to the land. So that's one problem. It has to bear a relation to the site.

The other things is, I guess, it's sometimes hard to punch out buildings in kind of a neat sequence. Maybe if you were building little red school houses, maybe you could do it, I don't know. But, you know, we find that a lot of our buildings are special purpose buildings, you need special requirements in them. For instance, in the Woodsworth Building we had to build a specially designed below-ground or grade facility for Land Titles. We had to build it in a special way with certain features, etc., that could not be constant. Once we got up above ground a couple of storeys we simply multiplied the same floor. Once we got a floor it became fixed and you simply added more of the same.

I think within a building we work on what are called modules that - I don't know what the exact size is, five foot by five foot modules, that seems to help in terms of construction and in terms of design. Like you have a small little unit that's multiplied within the building, but for instance to design a specific building, we put up a small building at Arborg, a Provincial Government building; we're putting one up at Portage; we're putting one up at Thompson, and those buildings I think are of different sizes and different requirements and have different physical sites. So I don't know quite how you do it. For instance, since Arborg's demand was very small, and it was a small building, how would you relate that for instance to one at Portage which would be considerably larger? It's not an easy thing to do. I think you'd have to be dealing in dozens or hundreds of units, and since we seem to be dealing in two's and three's or four's and

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(MR. DOERN cont'd) five's, it doesn't seem to work out too well.

MR. CHAIRMAN: Order, please. The last hour of every afternoon being Private Members' Hour, Committee rise. The Honourable Member for Morris.

MR. JORGENSEN: I wonder, Mr. Chairman, if I may give notice to the Minister that I would like the information regarding those leased accommodations, and perhaps if I give notice to the Minister his officials can prepare that for us, so that we can have it when the time comes to consider that particular item. That's under 103(d). What I would like is a list of all of the places that the department rents for the government, who rents them, and the rates that are being paid.

MR. DOERN: Well, you know, Mr. Chairman, we can try, but we might be dealing in the hundreds. Three hundred - you don't want us to read that out, do you?

MR. JORGENSEN: Well I would like to know just exactly where you are renting all this space and who is occupying it.

MR. DOERN: Well, we'll provide you with as much information as you want.

MR. CHAIRMAN: Committee rise.

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MR. CHAIRMAN: Order please. I would refer honourable members to Page 58, Resolution 114(a)--pass. The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Chairman, I would like to question the Minister at this time on two or three items regarding the Department of Manitoba Housing Renewal. I'm very concerned about the Provincial Auditor's report starting on Page 20 this year and running to Page 21. There are three paragraphs here on Page 21 that are very descriptive and it's basically - I'm reading from the second paragraph on Page 21, if the Minister happens to have it in front of him: "The corporation needs to improve its management information system which would include an effective file of monitoring projects as development and construction progress. This kind of system has been recommended on several previous occasions by my office and assurances have been received that appropriate action would be taken, but action has only been initiated recently, as is indicated in the last paragraph. The deficiencies in the management information system have contributed to a situation in which capital funding approvals and advances for the Central Mortgage and Housing Corporation are not being received on a timely basis and this has resulted in excessive interim financing by the province. In addition, actual costs are not being compared with the estimate costs on the ongoing basis resulting in variance not being noted and followed up for effective cost control."

Mr. Chairman, I am sure the Minister probably has read the Auditor's report regarding Manitoba Housing and Renewal Corporation and I would like to have his comments on that at the present time. I am wondering if the Minister could - Mr. Chairman, does he want to answer it now or I have another question while he prepares to answer it.

Mr. Chairman, I would like also to ask the Minister, in the report of the Manitoba Housing and Renewal Corporation the salaries are \$915,972 at the present time. I wonder if the Minister could tell me how many people are employed.

And the last item - Grants, Manitoba Provincial Tenants Association, there is no longer a grant there in 1975. I may be wrong, but I understood that this grant was to the tenants so that they would be able to join community clubs within the area etc., and I wonder if that has been cut off.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, I want to pursue the topic that has been mentioned or brought in here by the Member for Sturgeon Creek, this question of administration with regards to MHRC.

Mr. Chairman, I find it pretty difficult to find any sequence of information that has been presented by MHRC over the years that allows anyone outside of the department itself to develop any logic to what's been happening. For instance this year we've had a report tabled, but really all it is an auditor's report for the year ended March 31, 1975. There's nothing in this report that tells us what in fact the department has been doing. We find that the reports have been changed over the years and that effectively we don't have an annual report. We don't in fact have an annual report that would tell anybody what the department is doing. Now we'd like to see the government, the MHRC present its information in a fashion that provides some sort of information to the public at large and particularly those of us that want to examine and use it in the Legislature during the Estimates' time.

For instance, could they not take some sort of a framework and tell us during a given year how many units were committed, how many were initiated and how many were completed? And if they did this on a continuous basis you'd have some means of comparison. Could they not provide us with the sort of information that would tell us how many units have been undertaken under Section 43 of the Act and what has been done under the likes of Section 44(1)(b) where it's a matter of subsidization to the private sector? But all of this information that is exceedingly important at this time is conspicuous by its absence. There is no way of getting at that sort of information short of coming in the House here and asking the Minister exactly what's happened.

We had the comment made in the Throne Speech by the government that this was going to be a banner year for MHRC to solve the problems of bringing in rent control and so on; that they were going to commit \$70 million of funds to public housing, which

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(MR. CRAIK cont'd) is a record commitment of funds. So, Mr. Chairman, if we take this as being an indication and measured government action by that statement, we would of course think that it was going to be a big year. But in fact when you boil it all down, you find that in 1971 the government undertook 3,743 housing starts, in 1972 they undertook 2,356; in 1973 it fell off to 477; 1974 it fell off to 708; and in 1975 it went back up somewhat to 1,137. Now this came from the Canadian Housing statistics, it doesn't come from MHRC, so we have to dig around and get our information elsewhere.

So if you take at face value - and incidentally in 1971, those 3,743 housing starts, the total amounts of the loans were 43,361,000. This year the government is committing \$70 million for housing, the exact categories of it are not well defined. But the number of housing starts that will be undertaken by that are somewhere in the order of 2,000 which is just a little more than half of what the government did in 1971 because the average size loan per unit has doubled, or more, better than doubled the cost per unit from 1969; 1970 the average loan per unit was 12,000; in 1975 it was 24. Well with inflation, I assume that that's up this year, this coming year it'll probably be up somewhere close to \$30,000 a unit. So in fact what we have is a reduction over what would have been a normal year in 1971 and 1972, we have a substantial reduction in a number of housing starts in Manitoba which is a year when we have rent controls coming in. And when you of course - all the history of application of rent controls has spelt one thing very clearly, and that is that you have to mount a massive government rental program if you're going to offset the rental shortage that is caused by rent control. So this is contradictory. As a matter of fact it's the exact opposite to what one would gather from reading the Government's Throne Speech statement of it being a record year in initiatives by the MHRC. So we have a lot to worry about in the MHRC. We combine that information by the fact that the annual report is very inadequate, absolutely devoid of any meaningful information important from the point of view that it says something about the finances, but devoid of any other information.

But then if we look at what it does say and we read the Provincial Auditor's report, we're not given very much cause for any degree of satisfaction that MHRC is doing a job. Because as my colleague from Sturgeon Creek has pointed out, the Auditor here says, he has stated that, "During the course of this year's audit of the MHRC matters have again been noted which indicate that the administrative practices and organizational development within the corporation have not kept pace with its growth. In particular, the Comptrollership function has not received the required emphasis. As a consequence the management information system including internal reporting procedures and fiscal controls has not been developed to an appropriate level."

Mr. Chairman, as a matter of fact the Auditor's report is just as damning of the MHRC as it ever was at the height of the co-ops' concern a year ago. This is a very damning statement by the Provincial Auditor of the MHRC. The indications are that the staff at the present time is of the order of 80 people. Now back in 1971 at the height of the building program all that work was being done with a staff that ranged anywhere from 10 to 80, a very small staff in comparison. Here we had a staff of 80 that last year saw the construction of one-third of the units built in 1971 and probably only about 20 percent of the units were built in 1974 compared to 1971. Now what is this group doing? Because as I say no confidence can be built on the basis of its annual report which does not tell us anything substantive about the housing programs in Manitoba; and secondly, we have the concern expressed by the Provincial Auditor, damning statement by the Provincial Auditor that says that there are deficiencies of management information. It says that, "deficiencies in the management information system have contributed to a situation in which capital funding approvals and advances from the Central Mortgage and Housing Corporation are not being received on a timely basis and this has resulted in excessive interim financing by the province." In other words we're not making use of what's available to us from the CMHC in an optimum management procedure. "In addition, actual costs are not being compared with estimated costs on an ongoing basis, resulting in variances not being noted and followed up for effective cost control." He's saying that we don't have effective cost control going on in MHRC.

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(MR. CRAIK cont'd)

"The Corporation is now taking steps to" - it concludes: "the Corporation is now taking steps to bringing advances from CMHC to a current position and has initiated action to improve its management information system."

Mr. Chairman, all of this leaves an awful lot to be desired from the Minister currently reporting to the Legislature on behalf of MHRC. I think that we need to see a vast improvement in the performance of this particular branch of government if we can expect it to address itself in any way to the problem that is going to in part be made worse, much worse by the imposition of rent controls and the reduction in the private sector construction that everybody expects to happen within the next year. So I think we need a very complete explanation from the Minister to, where do we stand now and how is he going to control this problem that is obviously a problem pointed out not only by the Auditor but by the lack of a proper annual report by MHRC in the last year?

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Mr. Chairman, the member makes comment about no annual report. The corporation does table an annual report and usually it's in the hands of the members by the time our Estimates come along. It just happens that this year my Estimates came on quite early. But as I recall it was the end of March or sometime in April that the report comes out, and it's my understanding that the report will be coming out very shortly.

The Member for Sturgeon Creek and the Leader of the Opposition refer to the Provincial Auditor's report and make some comments about the fact that in 1971 and 1972 there was large projects undertaken and considerable housing built, and this is perhaps where our problem started. And I can't blame anyone of course except government for that, because when MHRC was demanding more staff I must admit that I was one of those that wasn't too receptive to MHRC's request for additional staff, and I guess in retrospect I have to admit that I was wrong because when you start off a program initially it's easy to say let's go, and through proposal calls - because that was the method used in those days - launch fairly substantial programs in housing. But then you have to realize that once those units are built and go on stream they have to be maintained, they have to be administered. You have to be on top of them all the time and you can't also use the same half a dozen people to continue with new projects.

This was indicated in an earlier Provincial Auditor's Report and steps were taken and have been taken over the last 18 months to try to recognize and finally recognize that in fact there is a need when you have over 10,000 units already on stream and you have new programs which you are asking MHRC to undertake, like the Critical Home Repair Program, like the Mortgage Lending Program, like Assisted Home Ownership Program, the Rental Subsidy Program, that in fact you just can't do it without the staff. That has been recognized and I think in the most recent report that the member is reading from - I assume it's the year ending March 31, 1975 - the Provincial Auditor does indicate that improvements have taken place. I can tell the member that in the current year improvements in this regard are continuing.

With regard to project files the MHRC brought in a consultant to bring those things more under control. As well the staff has been increased for that particular purpose so that the kind of information that's needed will be available and better controls, a better reporting mechanism will be there.

A reference was made to the cash flow ratios, that is more funds from the Provincial Government than the Auditor felt was needed. I can tell the honourable member that that's now increased to 70/30, that is 70 percent federal 30 percent provincial. On the other hand I'm not sure I totally agree with the Provincial Auditor's comment in this regard because it has been found that the interest rates from the Federal Government for advances sometimes are higher than the interest rates in the province to MHRC and you know MHRC is looking at it from their perspective so that insofar as the cost is concerned I don't think it's any more. I can see the Provincial Auditor who looks at the entire picture, Provincial Government and MHRC, feels that perhaps he would be happier if more cash flowed from CMHC in the initial instance and they're moving in that direction.

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(MR. MILLER cont'd) But there's no savings involved because if anything the odd time, for a number of months sometimes at a time, the interest rate is lower on the advances from the province than it is if it was received from CMHC. Right now I'm told CMHC money costs the Corporation one percent more than if the money is advanced through the Minister of Finance.

The question was the staff. Last year I believe the staff was 86. The projection is that staff for 1976-77 will be increased to 96. In other words an increase of ten. As I indicated that is essential as new programs have been undertaken. The Critical Home Repair which was launched in the fall is now going to be a 12-month operation and these other programs I mentioned, the Mortgage Lending Program, the Assisted Home Ownership, the 44(1)(b) which was a very recent amendment to the Act and an agreement with CMHC will require as well more staff. So as the number of programs broadens it's obvious the increase in staff is going to have to take place in order to meet the requests and the points raised by the Provincial Auditor who feels that this is a large operation. There's no question, it's not a small operation and therefore it has to be geared up to take that into account.

The question was raised as to what was done last year. I believe I made these comments in my initial introduction in the House. In Winnipeg there were 690 units, outside of Winnipeg there would be 463 units, a total of 1,157 in 1975 under Section 43. I think that was the question asked. Under Section 43 itself.

There was I think a question about the number of units under Section 44(1)(b). If I recall correctly I think there are 353 households now covered under Section 44(1)(b). That would mostly be in the ENIPHs that now can be covered under the new program, as I said, which makes it possible for the Housing Corporation to enter into an agreement with the elderly persons housing in the non-private sector for rent supplements for those people who require a rent supplement based on need. As well there's the 303 for family, there's 303 private, 86 non-profits and 35 co-op units, a total of 424 units. I think that's called 44(1)(a) if memory serves me correctly.--(Interjection)--44(1)(a). It's very similar to the 44(1)(b) except that it deals with another type of accommodation.

Mr. Chairman, basically I don't disagree with the member when he says that the initial years of '71-72 had some very large projects launched by MHRC and I would concur in retrospect that MHRC should have been given the staff to be able to absorb that kind of initial surge of housing in those years. By not doing it we simply delayed the inevitable because now it has to be done and it is being done. I'm satisfied however because I felt the concern myself, particularly in not the most recent Provincial Auditor's Report but the one prior to that. I made it my business to meet with the Board and to indicate to them that I was not happy with that kind of Provincial Auditor's Report and wouldn't be happy with that kind of Provincial Auditor's Report. There was quite a difference in his tone and in what he had to say so I can say to the member that, in fact, steps have been taken and I expect that by the next time the Provincial Auditor has to report to this House what criticisms there were contained last year shouldn't be there. If they are there I'm going to want to know why myself.

On the other hand the Provincial Auditor doesn't suggest that there's anything wrong, he just feels that the capacity of the Corporation to supervise the projects, the control, etc., just wasn't adequate and it's in this area that there's a movement to try to give them the necessary administrative expertise, the financial expertise, the accounting expertise to make it possible for them to meet the kind of tight ship that obviously the Provincial Auditor wants to have them run there.

I think I've answered all the questions. I made a few notes here, I may have missed some. If I have he can re-ask the question and I'll try to give some answers.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, the Minister has given us some explanation here. I think that our major point is that the Auditor hasn't pointed out that there's any impropriety or anything like that suggested here and we're not suggesting it either but certainly there's a tightening up of the management that is evidence in its necessity.

There would appear though to be some sort of contradiction here, almost a classic Parkinson's Admiralty Law here that whereas back in the days when you were producing

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(MR. CRAIK cont'd) three to four hundred thousand units per year with a small amount of staff you are now producing less number with a multiple of that number of staff in your department and the problems are coming to light now rather than back then. I don't know whether it's in reference to the procedures that were in operation at that time or whether the Auditor's reporting as to what has happened in the last year itself.

There's one other question, Mr. Chairman, I wanted to direct to the Minister. It's with regards to the MHRC involvement in the Tawani Towers condominium complex. I gather that both MHRC and CMHC have become embroiled in the bankruptcy and so on that took place with regards to this project. I wonder if the Minister can advise the House whether there was a loss to the Province of Manitoba as a result of this or whether the thing is settled yet and what the outcome has been. He may wish to give consideration to that before answering it. It may be a specific question that he doesn't have a direct answer to.

MR. MILLER: Mr. Chairman, I can tell the member this, that he's right MHRC and CMHC are embroiled in this. That's the term he used. In order to protect the purchasers of the units in the condominium MHRC moved to place it under receivership. As to the loss if any, it's still unknown. It's in the hands of receivership now. I believe all the units have been sold but it was an apparent need and legal counsel, both internal and outside legal counsel, recommended that the board take the receivership action which they did, as opposed to a foreclosure. As I said this was done in order to protect those who had purchased units within the condominium. So it's still in the hands of the Receiver.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply requests me to report progress and asks leave to sit again.

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 Point Douglas, that the Report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Private Members' Hour. First item is Resolution 4 as amended by the Honourable Member for St. Matthews. The Honourable Member for Sturgeon Creek has 14 minutes left. Order please. The Honourable Member for Birtle-Russell state his point of order.

MR. GRAHAM: Mr. Speaker, on a point of order. I believe there's a committee of half the House meeting at the present time and some of them may want to hear the debate.

MR. SPEAKER: I gave them the signal they had four minutes. That was five minutes ago.

MR. GREEN: Mr. Speaker, I believe that they are aware that we start at 4:30.

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MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Thank you, Mr. Speaker. Well the last time I spoke on this particular resolution I seemed to shock the members opposite when I made the statement that if they couldn't produce properly and you kept getting complaints about a specific manufacturer or builder or contractor, that if he didn't pull his weight or he continued to carry on that type of operation, that his licence should just be taken from him. I'm still wondering why I got the reaction from the other side that I did. I qualified it very much. I must say that I have talked to some of my colleagues about it as

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(MR. F. JOHNSTON cont'd) well and I don't quite understand them getting all so uptight about such a thing. I did qualify it by saying it has to be very careful legislation and I say now that I'm wondering if it would be possible. I think it would be desirable if you could do it.

Mr. Speaker, I must say now as I said before that manufacturers and good contractors have nothing to fear from legislation which demands them to do good work. But you know in this day and age we have at the present time across Canada CSA; we have the Department of Labour Inspection staff; we have building codes which we must follow that are laid down for us and I stress again there are inspectors to see that those codes are followed. We have Health Departments which are continually going around watching or supposed to be watching for practices in construction that are not good for health reasons in the sanitary systems of the house and water systems of the house. We have the Minister who has said that he has been working with organizations to try and overcome the problems that we may be having.

I still don't know how you would force a person, if he was to give a guarantee on his house, what work he was to do on it before he can sell that house. I know that there are problems at the present time with the regulations that were laid down with mobile homes and they're going to find them very awkward before they're finished with them and we'll probably be discussing those under the Department of Labour.

At the present time I say that the Minister does have, he does have some areas where he can definitely keep an eye on the construction industry as to the type of work they do. I would say that in the case of the good contractors and good manufacturers that the problems that we do have at the present time is in many cases human problems, human error which are very hard to watch when you have apprentices and you're training new people within jobs.

Mr. Chairman, that's really all I have to say on it. I don't think, I don't think that the warranty position should be in the hands at the present time of the Government. I say that our side can actually agree with the resolution for the Member from St. Matthews. Well I must say that I read it and it says, "THEREFORE BE IT RESOLVED THAT the House ask the Minister of Consumer and Corporate Affairs and Internal Services to continue meeting with representatives of HUDAM and BE IT FURTHER RESOLVED THAT the Department of Consumer Affairs continue to monitor HUDAM to plan and ensure that it does protect home buyers." I think that the Minister has indicated that he is doing that and I think, as I said, he has many many areas of whack, let's put it, if he wants to get tough with anybody because we do have a situation of CSA approvals; we do have a situation of inspectors and they're all there to be used when necessary. So, Mr. Speaker, that's all I have to say on this particular subject. I don't think that the warranty situation requested in the first resolution presented by the Member for Assiniboia is necessary. I think it has to be watched closely and if you do have problems I've suggested a way to cure them. Thank you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I'd like to make a statement really on the original resolution put forward by the Member for Assiniboia. I think that in the course of debate a number of things have been said about the resolution which just frankly are not true or do not account with the developments or facts of the matter in relation to home warranties. In particular I think are the remarks made by the Member for St. Matthews, I believe, when he spoke on this last time we considered the bill.

Let me just state some of the rationales for putting this proposition forward. I think the Member from Assiniboia went over them quite specifically but they obviously didn't register so I think it's really required to repeat them again. For the past two years, Mr. Speaker, perhaps longer than that, but certainly for the past two years the Minister of Housing and Urban Affairs on the Federal level - both the present Minister and the previous Minister, Mr. Basford, have been meeting with members of the Housing and Building Association to establish a national warranty program. It has been subject to a great deal of negotiation, and furthermore it went beyond simply an insurance proposal as put forward by the builders, but in fact included a guarantee; that it was not

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(MR. AXWORTHY cont'd) simply a matter of establishing really what the builders wanted, which was a way that someone could pay into an insurance program and they get some return, but in fact was an actual guarantee that they had to uphold as part of their requirements in sale. The same way, Mr. Speaker, that we have provided I guess consumer protection in the past on mobile homes and elsewhere, we've set licences and put guarantees on them. Those negotiations broke down last December, Mr. Speaker, they could not get agreement on a national level.

The Federal Minister of Housing and Urban Affairs made a specific request to every provincial government that they now see what they could do in their individual jurisdictions, which I gather the Member for St. Matthews is not aware of, as he seemed to pass over or gloss over that fact that a specific request had been made by the Federal Minister that the provinces see what they could do to pick up the requirement. And in those letters, Mr. Speaker, which were not - I don't have a copy of it, but they were in the newspapers and it was made public knowledge - there were very specific proposals put forward in terms of a one-year guarantee for areas of major work in construction; that if in fact shoddy or irresponsible workmanship was included then the buyer of that particular property or structure would then have a right to have it fully repaired or reconstituted free of charge to himself. So it was simply a matter of protection. The reasons for it were very clear, that we have been going through a major transition in our time, from the caveat emptor philosophy that the consumer must know what he is buying and that the obligation is upon him.

When will we realize and recognize that the way in which goods are produced in this day and age are so complex, involve so many highly technological processes, that much of the procedures and manufacturing is hidden from the consumer and that the average consumer has no way of knowing what goes into a product. Maybe one of the things we should regret is that we no longer produce renaissance men who are capable of judging what's wrong with the plumbing or what's wrong with the foundations or what's wrong with the electrical system. Maybe it's a lost skill and one of the penalties we pay for a highly specialized economy. But the fact of the matter is that much of what goes into a house the ordinary consumer has no awareness of and has really no ability when they walk into a house - and they can't even kick the tires to see if it's all right, as you can do with a used car, whatever good that does. But all we can judge it by is by its superficial appearances, and by the good reputation and good word of the builder. I think in large part that reputation is justified, most builders are honourable, they produce a good product, and they have an economic interest in ensuring that their own reputation as a proper honest builder is maintained. But in every society and community, Mr. Speaker, there are exceptions, and our problem is now that there have been increasing cases whereby consumers are having to experience major capital costs themselves which they have no way of rectifying; which sometimes, in fact in actual cases that I know of have been such that they have so fully disrupted the financial position of that consumer that they've had to go into bankruptcy or suffered very severe hardships.

So we reach the stage where it seems that some form of warranty system, one that is at least backed up by government, one that government takes an interest in, is required. Now the situation as we have it in Manitoba is that the house building industry establishes its own warranty program, I think the announcement was made this January. But that program has very distinct limitations. It covers only new homes, and it only covers those homes covered by certain builders who enlist in the program. It means therefore, Mr. Speaker, that many homes in the new market are not covered under the program, because there are not builders involved, nor is there any protection whatsoever in the existing home market. For example we will I hope at some time develop a major renovation industry in this province to ensure that the existing housing stock is recycled and reused. That goes beyond cosmetic repairs, can involve major construction of electrical heating systems and foundation systems which are very expensive items and sometimes average up, I believe in the case where the Provincial Government did some experiments in North Point Douglas, the average cost was about \$20,000 a unit for major renovations of older homes. Now if you're asking a private individual to take a loan from

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(MR. AXWORTHY cont'd) a bank for \$20,000 and advertise for someone to come in and do this major type of renovation work, many of these firms are not firms of long standing reputation, they may be people who are moon-lighting; they may not have been in the business very long and there are a number of examples of fly-by-night operators that will come in, take the money, and do really superficial cosmetic repairs, take large amount of sums and then clean out. They have no obligation placed upon them to do proper work.

The intent of the resolution from the Member for Assiniboia is simply to say, we now have a partial warranty program offered by the house building industry in Manitoba which is in effect an insurance program, which is acceptable. But what we are saying is that surely we shouldn't provide some discrimination in saying that only those people who happen to buy those houses by those responsible respectable builders are the ones that are protected. Because the paradox is that it is the most respected responsible builders who have enlisted in the program; it's the ones who are a little bit on the margin who are not in it, and that perhaps is where the greatest danger lies, of someone running into a real problem. So the intent of the resolution is to say, let's see what can be done to complement and supplement the programs put forward by the private industry and let's see what responsibility government may or may not have. And I think that the intent of the amendment that was brought forward by the Member for St. Matthews is simply designed to eviscerate any of those attempts, it's to get the Minister off the hook. I don't think it's sufficient to say, let's have a few more meetings.

The point of the resolution from the Member of Assiniboia was very clear. He said: "Get together, sit down and work out a program, let's decide something, let's get a comprehensive package of guaranties and warranties in the house building industry in the Province of Manitoba." Surely, Mr. Speaker, we don't have to do more monitoring or studying. The Conservative Party seems to think that we can continue rolling along, according to the Member for Sturgeon Creek who says, "Let's do some more studies, let's have some more discussions and let's have some more conversations", which is tantamount to saying: "Let's not do anything." As long as you can kind of fenagle away the public time by having the poor Minister of Consumer Affairs, when he should be spending his time thinking up proper amendments to the Rent Stabilization Board, rather than doing what really should be in the public interest he's going to be spending all his time worrying about all these, monitoring discussions with the house builder about warranties. We're saying let's get down to business, let's do something serious and quit wasting time. But make sure there's adequate protection and guaranties in the home industry.

Because Mr. Speaker, there is probably no area where it's more important, that the capital investment that most ordinary families put into their home is the single most important investment that they will ever make, far more critical to their economic well-being than their investment in their car or their power-boat or whatever. We now have guaranties on automobiles to repair parts that run awry, that run for two years or whatever it may be, or 50,000 miles, whichever comes first. We are now in the situation where you can guaranty your automobile but you can't guaranty the most important economic factor of an ordinary person's life, their home, for those who have bought a piece of property that is singularly the most important asset that they have and singularly the most important investment that they have. We're simply saying that the potential of having that investment disrupted or eroded by getting a piece of bad work or shoddy craftsmanship or faulty construction, is so serious that we should provide some protection on that.

What we're asking in this resolution is for the government again to take an initiative and we keep saying, let's take some initiatives, and I realize that that's not the style of governments these days, to take initiative. But we're saying there are critical areas, not expenditure areas in fact. You don't have to spend that much money on it. But there are really serious areas of requirement that when you match up the importance of a person's investments against the disability of many people to really know what they're getting in a home, to have any proper standard for judgment or measurement of the quality of the workmanship and have then absolutely no recourse whatsoever if something

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(MR. AXWORTHY cont'd) goes wrong, are simply left holding the bill, and a major bill at that. We're saying surely that is a proper area for the public to have its spokesmen, its representatives take an interest, take some action and take some initiative.

That is the purpose of the member's resolution: simply to say that we live up to the responsibility particularly now that the long standing negotiations and the hope for resolution of this on a national level seem to have come up with nothing and the Federal Minister has in fact requested the provincial counterparts to take some action in this area. They've admitted in fact, and he's done it because he felt it would be easier to get programs on the provincial level in this case than to get a national program. So it seems that the imperative is there and I think the requirement is there and I think it would be a disservice not to support the Member for Assiniboia's resolution because I think it is provided in the right spirit and is on target in terms of the need.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I think I want to comment in response to some of the statements made by the Member for Fort Rouge. I listened to some of the discussions that took place at the national level. I was not directly involved but I was present. It's my understanding as I recall it that in fact the Federal National Program was to cover new homes, not old homes, new homes. Therefore the suggestion that the Member for Fort Rouge is talking about is not really in harmony with what the Federal program is all about because the Federal program was a home warranty program which was going to cover the construction of new homes to establish a warranty system on a national basis because many of the component parts are made elsewhere in the country and it was felt a national program would be more desirable than a provincial program. Manitoba did indicate to Canada that if the national program was going to be proceeded with there would be participation on the part of Manitoba.

On the other hand I want to say to the honourable member that there was concern because the national program also did include, and quite contrary to what the member seems to imply, did include an insurance charge on the home buyer. In other words the individual would purchase a home and he would purchase an insurance fee. If he paid a certain amount this would cover him. So there was a requirement for the individual to pay. Manitoba did feel that with the amount of dollars that are sitting now in CMHC, on the insurance loan guaranty, that perhaps the Federal Government should consider using those funds, however - no, the plan was that the insurance fee would be paid by the individual. And it was a voluntary plan. It was a voluntary plan on the part of those builders who wanted to participate. It was not a compulsory plan, because if I wanted to build a home and I wanted to get some people that I know to build it, I could deal directly with them; I could contract with them if I wanted to and whether I insisted that he be part of the Home Warranty Plan or not, it was entirely up to me; if I wanted to buy from somebody who was not in between the warranty plan, there was no compulsion on me that I have to buy or order a house built by someone who is a member of that plan, nor that the builder himself would be a member of that plan. I know that there was concern expressed by some of the smaller builders who felt that if they had to start putting up warranties, performance bonds of considerable amounts, which would be tied up for two or three years, that it might affect the number of small builders who are in the field and inhibit new builders from coming in. But even with that Manitoba was prepared to go along. But as I indicated: (a) Either there was going to be an insurance fee; (b) It was new homes only; and also it was voluntary participation by a builder.

The member talked about the automobile warranty as an example where today it's covered under warranty, either mileage or so many miles, or so many months, depending which comes first, but that, too, is on new cars, Mr. Chairman. It's because, to do this on old homes is extremely, extremely difficult situation. People do buy old homes, some of them repair it themselves, others get somebody, as the member acknowledged, somebody knows somebody who is good with a hammer, or has some carpentry skills and he'll ask them to, he'll contract really, to have the house put in shape for him, whether it be cabinetry, or plumbing for that matter; it's true it has to be inspected after it's done, but these things are done on a private basis between the homeowner, the

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(MR. MILLER cont'd) new homeowner, and as a homeowner of an old accommodation, and some firm or group of people that he may contract with to repair his house. But one of the problems, certainly I would concur with the member, that a house is a major purchase in a person's lifetime, but there is no question it's very very difficult to guaranty or to assure that everything is just right and that you know exactly what you are buying when you buy it, particularly in the case of old homes. It means really getting down into everything in that house, all the electrical, the wiring, the heating, the plumbing, the mechanical, in order to ascertain whether it's in top shape or what shape it is, although everyone who buys an old home of course realizes if a home is 25 or 30 years old then obviously the wiring put in there met perhaps standards and a code of a different day. That applies to plumbing as well as any heating installations.

But let's not forget one thing. In common law a person does have protection. If I buy something from a builder and if in fact what I've bought does not stand up then I can take the builder into court, and people do that, and the courts have ruled that a person who purchases something has a right to believe that what he has purchased and what has been sold to him will in fact stand up and will simply not deteriorate within a few months or simply collapse because of a structural fault or because of inadequate installation. So that the remedy is there and the remedy should not be removed because I think that is a remedy that is open to every citizen and that remedy should not be taken away. That right is, as I say, something that everyone has. Whether the roof caves in or whether the cracks in the foundation are such that - there's a crack in the basement, in the cement within six months, a year; people have gone to court, people have been able to collect.

Now the member makes a point about firms that go into business and then go out of business and just disappear and although you may go to court and get a judgment, there's no one to collect from. This is a problem. This is why people tend as much as possible to, as the Member for Sturgeon Creek pointed out, deal with reputable firms who are established, with reputable firms whom they have reason to believe they can trust and whose track record is such that it indicates a trust.

The first step towards a home warranty program has been taken in Manitoba initiated by HUDAM itself as it has in other provinces. I think we should let this operate for a while; we should see how it works and whether it's going to meet the needs of the buying public. You know they've only just started - I'm not even sure they've started because the announcement was made in January or February that they were launching this program. So to sort of say now in advance that the program is inadequate and since the Federal program wasn't followed through Manitoba should then on its own do it, implies 1) that the Federal program was going to cover old homes which it wasn't; it was going to somehow make it mandatory which it wasn't. I want to get that on the record. The program that HUDAM has established may or may not be the answer but it is a step in the right direction and within a couple of years we should have a better idea whether in fact the house building industry is really getting behind this program and whether people will be able to have a stronger assurance that what they're investing in their home will be covered through the insurance they pay for the kind of situation where they purchase and either through human error or through faults of material just don't stand up to the requirements.

So I believe, Mr. Speaker, that the amendment is a logical amendment. It is a new program by HUDAM; it hasn't really developed yet and to criticize it now and say that it's useless and that the government should on its own launch its own program and set up its own warranty plan I think just doesn't make much sense. I would like to see the HUDAM program be in operation for a while to see whether in fact it meets all the needs and whether in fact it can work as the industry hopes it will work. After a couple of years under our belts then we'll have a better idea of whether there should be an extension of that, whether it's adequate and really on the base of experience alone, the industry itself, HUDAM itself, may even take the necessary steps to make this a more effective warranty system than what they've just launched if in fact the track record, as I say, proves that the present warranty system they're planning to be inadequate.

I think the industry is trying to improve their image; I think the industry is trying

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(MR. MILLER cont'd) to assure people that when they buy a home that they can buy it with a certain amount of feeling of confidence and security. I think that's actually what the industry is trying to develop and I hope they succeed because there's no question it is a major investment and people when they make that kind of major investment should have a feeling of confidence that they're buying a home that they can live in for the next number of years without having a roof cave in on them or a heating unit collapse after a few months as has sometimes happened.

Now it's true, as I say, they have the courts to which they can go and which they have successfully gone in the past but this present plan which HUDAM has launched should give them even greater assurance and the housing industry I think will try to assure that the program is an effective one because if it isn't an effective one then the ones who will look bad are the housing industry themselves. I don't think they want that kind of image. I know as a matter of fact that they want to have an image in the consumer's eyes, an image of being responsible and that the homes that are being constructed meet the requirements of people and stand up to the kind of requirements which people expect of a new home.

The question of older homes is something much larger and will not be resolved by a simple warranty of this kind and would be much more difficult to supervise or even to launch because people buy homes privately. What investigation they make of that home before they buy it I don't know, but as the Member for Fort Rouge said it's very difficult to really know what is required in an old home unless you break through to the joists to determine what's behind the plasterboard if it's plasterboard that's on the walls. You really have to go through it with a fine tooth comb which most people don't do because if you're doing that you're going to very often end up in a situation where you have to put more into the house than you're prepared to and it doesn't necessarily help to sell the house nor does it hinder it.

People do buy old homes with a knowledge that what they're buying is old and they have an idea of what they can do with the house or how much they're prepared to invest in it and not necessarily immediately. People move in and over a period of one year, two years and ten years gradually put the house in shape. People have bought homes in the older part of Winnipeg, very old homes, 50, 60, 70 years of age where over the years the fine woodwork is painted over, over the years different heating systems were installed. People buy these homes very consciously knowing that the joists aren't separated the right distances, that the wiring is very old, that the plumbing is very old. They know when they're getting into it that this is what they're buying. But they're also buying it with a view to gradually bringing it up to a certain level that meets their need and bringing it up to an acceptable level. It's a voluntary effort on their part and they do this in full knowledge that the cost will be borne by them over the years.

So, Mr. Speaker, I think that the comments made by the Member for Fort Rouge, really to suggest that this amendment is not adequate just doesn't face up to the facts. He's sort of wondering whether the Member for St. Matthews knew that the Federal Government had made the announcement that it did. I'm wondering whether the Member for Assiniboia had perhaps drawn up this resolution before the HUDAM Home Warranty Program was launched. Maybe if he'd known that he might not have come up with this particular resolution. I'm not critical of him, this is a resolution that I know he has espoused before and he didn't know that HUDAM was going to make the announcement that they did. But now that they've made the announcement and now a program is being launched I think we should wait and see before any further action is taken.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I just have a matter of privilege. The Minister in his comments suggested that - I don't know if he was referring to myself or to the Member for Assiniboia - commenting about the HUDAM Program being useless or ineffective. I don't think either one of us, certainly I never said that, but had simply stated that it was a good first step but it didn't go far enough and didn't cover the full housing market. I think that the record should show that correction.

QUESTION on the amendment put, MOTION carried.

MOTION on the resolution as amended presented and carried.

RESOLUTION NO. 8

MR. SPEAKER: Next resolution is Resolution 8. The Honourable Member for Point Douglas.

REV. DONALD MALINOWSKI (Point Douglas): Mr. Speaker, I beg to move, seconded by the Honourable Member for Ste. Rose,

WHEREAS there are problems in certain areas of the City of Winnipeg caused by young children under the age of 14 years roaming and loitering on the highways and in the other public places without proper guardianship after midnight;

AND WHEREAS a curfew by-law fixing the time after which children of or under an age specified by the by-law shall not be on any highway or loitering in any other public place in the City without proper guardianship would assist in resolving some of these problems;

AND WHEREAS Section 320 of The Municipal Act enables the council of any municipality to pass such curfew by-laws for the care of children;

AND WHEREAS The City of Winnipeg Act does not contain a similar provision either enabling or requiring the Council thereof to pass such curfew by-laws for the care of children;

THEREFORE BE IT RESOLVED that the government consider the advisability to amending The City of Winnipeg Act to provide advisability of amending the City of Winnipeg Act to provide for the passing of curfew by-laws for the care of young children at the request of a specified number of residents in particular areas.

MOTION presented.

MR. SPEAKER: The Honourable Member for Point Douglas.

REV. MALINOWSKI: Thank you, Mr. Speaker. There are many cities in the world today where to walk the streets at night would be sheer folly because of the dangers that lurk on those streets. In Winnipeg, we are fortunate that such a situation does not really exist, and that, in comparison to other cities, there is a relative safety in our city.

At the same time, there are problems which we have here too. One of the areas of concern is for our children towards whom we as a society have a responsibility. In proposing legislation permitting a curfew, there are two points to consider. One is that much petty juvenile crime might be avoided if a curfew were established and enforced.

One of the key concepts of our policy is that prevention is always better than crisis reactions. The concept of a curfew for children is aimed at the prevention of a number of acts which cause damage and trouble. But much more important, it assists in protecting younger children in our society and city from what otherwise might happen to them. The second reason for advocating a curfew is therefore that it enables us to better protect Winnipeg's children.

Allow me to quote Mr. Speaker, figures extracted from the report of the Manitoba Police Commission, Juvenile Delinquency Committee. According to these figures, juvenile offences committed between the hours of 12 noon and 1 p.m. amounted to 30. However, between the hours of 12 midnight and 1 o'clock in the morning, this number rises to 84, which means 180 percent more. This is very serious.

This report was based on data compiled in 1969, some seven years ago. It stands to reason that these figures have multiplied since then, and between 1971 and 1972 they've risen 13 percent, and between 1972 and 1973 they've gone up by 21 percent. Records for the year 1975 show an even more frightening picture; and the rise in juvenile delinquencies varies between 23 percent for those juveniles who have been warned by the Juvenile Division, and 52 percent actually detained by that Division.

Anyone who has seen young children at night outside the pubs and playing on the streets long after they should have been in bed will feel an ache in their heart for those children. Even if it would be possible to be unemotional about children left exposed to the toughest sections of Winnipeg late at night one must speculate on what effect this will have in the children being alert and capable at school the next day.

Of course, it would be an ideal and beautiful thing if all parents cared enough for their children, and were capable of raising their offspring so that there would be no need for this kind of legislation.

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(REV. MALINOWSKI cont'd)

But Mr. Speaker, we must be realistic. We cannot afford to be callous about the fate of children born into the world without the kind of protection and concern which many of us were fortunate to have.

Should these children be further penalized by an unconcerned society? Or do we have a responsibility to act on their behalf to at least achieve some minimum standards to ensure that they receive some care and to help them avoid trouble which may haunt them the rest of their lives.

Naturally, Mr. Speaker, if someone wants to get into trouble badly enough, he will find a way just the same. But many kids drift into illegal situations simply because they were out and available when the opportunity presented itself.

And surely we know how important it is to keep a juvenile from becoming caught up in the machinery of crime; to avoid that first serious offense.

Effective prevention is an art which we are only beginning to discover. It means a number of things from strengthening family structure, to better and more comprehensive guidance counselling, to better housing, to a better understanding of one's cultural identity and heritage.

But surely a very basic step is to take seriously the plea in the Lord's Prayer. "Lead us not into temptation."

I do not presume to say that evil only occurs at night, or that all children on the streets at night are up to no good.

But in a society which has provided schooling for all children, and provided it during the day, it surely is important that some consideration be given to the kind of hours which children keep.

It is almost ironic that any municipality in Manitoba is empowered to pass curfew legislation for the care of children within its jurisdiction, but that the City of Winnipeg Act has no such provision.

Is there any serious argument that if such legislation should be permissible in rural Manitoba that the City of Winnipeg should not be permitted a similar freedom of action?

Children in Winnipeg certainly have as much need for this kind of care as children in the rest of the province, and it is almost discriminatory that the City does not have the same ability to pass curfew by-laws if it sees fit.

But it is not on the basis of discrimination that I would appeal to you to act favourably on this resolution. It is rather on two grounds.

The first is that of consistency. I believe that the City of Winnipeg has as much need for this legislation as any rural area, and I would like to see the Winnipeg's City Council have the same power in this regard as that set forth in Section 320 of the Municipal Act.

The second is perhaps the more important for those genuinely concerned about the quality of life in Manitoba. It is that we MLA's have a responsibility towards children; they are the future of this province.

And they are also not able to function as well as adults in protecting themselves from the influences around them, when those influences are not desirable ones.

The least we can do is to attempt to remove a bit of the more obvious temptations, so that the long, downhill road to crime and a destructive life can be closed off before it starts.

A curfew will most certainly not solve all juvenile problems. But it is a basic preventative measure which can assist in giving a more constructive environment for our children to grow up in.

Thank you for your attention.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, looking at the resolution I can't help but feel that we may be over-reacting to the times in that having debated under Urban Affairs the city's extreme financial problems and having some regard for the priorities which members opposite said, I would wonder if the priorities would be one of financing the Police

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(MR. WILSON cont'd) Department and establishing the priorities of hiring any portion of the 266 policemen that the police chief indicated that he needed to slow down the rapid rise in crime. If these figures of 39 percent increase in the downtown core which he indicated, which includes my riding, are possibly true then it would seem to me that the Member for Point Douglas has indeed placed this motherhood motion at a time when there are priorities within the Police Department to solve major crimes in the City of Winnipeg rather than putting this - possibly I would say "game" - in the hands of these young children who might consider it, several of the young children today are sort of what we could consider in our old terms, the smart-alecky age, and they might consider the fact that our Winnipeg policemen who are getting about \$16 an hour, they might consider it fun and games to keep our Police Department tied up in what I would consider duties which might be better served to the entire community, of preventing the real crimes that are taking place on our streets.

A delegation appeared to myself and talked about the need for special services in the downtown core for the schools and how their life expectancy and their span as indicated by the government opposite was only going to be extended for one more year and they pleaded with me that the Nutrition Program for these young people was desperately needed in the schools, that the guidance was needed, these extra teachers were needed and these volunteers from the communities were needed to utilize the school structure for these particular much needed programs. Because we recognize that many of the lower income families in the downtown core, that their children through no fault of their own do go without - in fact the meal they get at the school may very well be the first meal of the day and maybe their only meal of the day. The only friend they may have and the only sober friend they may have may be the school teacher or the teacher aide who takes the time before and during the classroom and of course after to give a sort of motherly approach to these problem children.

I just can't for the life see how we could impose upon the City of Winnipeg an indication from this level of government that we are in favour of a curfew by-law when the city themselves in debate on this thing indicated that they showed very limited interest in passing a law which would keep children under 14 off the street after ten o'clock. I refer to, from memory of course, in the news media where the Chief of Police seemed to indicate that, well it is a motherhood concept and over-reacting to the times possibly to say, "Keep all the children off the streets." How would we enforce this curfew by-law? Where would we get the men from? If we are 266 policemen short in order to prevent serious crimes and to carry on the duties that are necessary in order to, as our city grows, to solve the particular problems, Mr. Speaker, I cannot see that we should endeavour to put this into the amendments to The City of Winnipeg Act, to allow the city to pass a curfew by-law when the indication is that it would be unworkable.

MR. SPEAKER: The Honourable Member for Point Douglas have a point of order.

REV. MALINOWSKI: Yes. Will the honourable member permit a question?

MR. SPEAKER: Order please. That's not a point of order.

REV. MALINOWSKI: I want to ask a question of the honourable member.

MR. SPEAKER: Let me straighten the Assembly out at least on one point. If a member asks for a point of order it's in respect to procedure. It is not a way to get the floor to ask a question. The Honourable Member for Wolseley.

MR. WILSON: Mr. Speaker, I would be more than happy to answer his questions when I've concluded.

Upon examining the role of our school system with the young people I think that the emphasis should be for financial support through the Department of Education and financial support by this level of government to the City of Winnipeg to bring our control of adult offenders in line by supplying sufficient staff. That to me would be the cure for many of these problems.

I also think there is an indication that if for instance the Big Brother concept is working and if the Police and Pal concept is working and if the - well we should say the Boy Scouts and the Girl Guides, if all of these programs are working for the children of the community then we are saddled with a very small minority of underprivileged children

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(MR. WILSON cont'd) who do not have proper parent supervision who may or may not be running the streets before and after ten o'clock and it would seem to me that if you're talking about this motion the way I think that it means, that you are saying that there's many many problems with children under 14 in the City of Winnipeg and that the only way to solve it is to have a curfew.

I have looked to other cities, very briefly, in thinking about responding to this motion and I was finding difficulty in finding any particular city of any major size that had the finances today to be able to carry on this type of large administrative situation that would be involved to set up different crews to go around the city and try to patrol the very few students who may or may not be roaming the streets.

Is the Member from Point Douglas to say that this particular motion, if the city did adopt a curfew by-law, would be only designated areas? As you know, one of the famous sayings down at city hall is, "We are one with the strength of many," or "We are one big city now," and I realize that while the minister's resolution is intended to areas which possibly he might represent and of course I do, that as a means of asking for equal treatment, if there was a small pocket in Transcona or St. Vital that was having problems with young people, then we may very well see that in passing the budget we would have to look at the six districts and give a particular juvenile curfew team for each district and you could see how the increase in staff would be there.

I again reiterate just from the point of personal knowledge of some of these youngsters, it would seem this is the role for the church, for the community clubs. In my particular district the community club has many many programs and they all fall on hard times because nobody seems to want to have an outreach and bring these young people into the community club to be able to participate in these programs. It seems to me that we don't need a policeman to bring these people home at ten o'clock, what we need is parental volunteers at the community clubs.

I remember attending a dance recital of which there was only one elderly citizen there and many of the youngsters present were hurling insults at the dancers till one of them fell into the floral display at the side because of the harassment. The smoking and the general behaviour of some of these students and young people was very unruly and I just thought to myself, now here's an opportunity to be able to have several volunteers - or for that matter, we've talked about taking people off of welfare and I think under what we could call a shared services or possibly a program where we could maybe pay this particular person on welfare \$400 a month to have him attend the community club under a supervisory capacity and it might be some sort of an incentive for him to stop sitting around the home. He may be somebody with a limited sickness or basically while he may be classed as employable or classed as unemployable, somebody in the department may say that this particular person could do this kind of supervisory work and it certainly seems to me to be the area in which we would be wanting to look at rather than at \$16 an hour for a team of six or eight policemen to go around roaming the streets looking for young children to chase down who would possibly lose their respect for law and order and lose their respect for the department because of this particular type of curfew by-law which may or may not be imposed by the City of Winnipeg.

MR. SPEAKER: Order please. The hour being 5:30 I am now leaving the Chair to return at 8 p.m. The Honourable Member for Wolseley will have 10 minutes on the resolution the next time around.