

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 26 March, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS McGREGOR: Mr. Speaker, I would like to present the Fourth Report of the Standing Committee on Economic Development.

MR. CLERK, Jack Reeves: Your Committee met on Thursday, March 26, 1981 and examined the Annual Report of the Manitoba Forestry Resources Ltd. for the year ended September 20, 1980. Mr. Leifur Hallgrimson, Chairman and Chief Executive Officer, and his staff, provided information as was required by the members of the committee. Having received all information desired by members of the committee, the report was adopted.

MR. SPEAKER: The Honourable Member for Virden.

MR. McGREGOR: Mr. Speaker, I move, seconded by the Honourable Member for Radisson, that the report of the committee be received.

MOTION presented and carried.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. I wonder if I could table at this time the second spring report with respect to the runoff situation in Manitoba.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills.

At this time, I would like to draw the honourable members' attention to the gallery where we have 50 students of Grade 8 standing from the Hugh John McDonald School, under the direction of Mr. Zilkie, Mr. Hurtie, and Mr. Sisk. This school is in the constituency of the Honourable Member for Winnipeg Centre.

We also have 55 students of Grade 4 standing from the Carman Elementary School, under the direction of Mr. Montgomery. This school is in the constituency of the Honourable Minister of Highways.

We have 45 students of Grade 9 standing from La Verendrye School in Portage la Prairie, under the direction of Mr. Wickberg, Mrs. Bates and Mr. Asham. This school is in the constituency of the Honourable Member for Portage La Prairie.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister of Urban Affairs.

In view of the decision made last night, in connection with tax increases involving the City of Winnipeg and continuing reports which we are receiving from other municipalities in the province, can the Minister advise whether or not any steps are being undertaken with respect to the government of the Province of Manitoba, to increase the Property Tax Credit Program, if not in respect to its base, at least in respect to the maximum in order to ensure that those of low and middle income levels are not hurt in the obvious way, that they're going to hurt this year, because of the extraordinary hefty increases that are taking place in municipal taxation.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. GERALD W.J. MERCIER (Osborne): Well, Mr. Speaker, the Honourable Leader of the Opposition asked two questions which do not pertain to my responsibilities as Urban Affairs Minister, Mr. Speaker. He refers to municipalities other than the City of Winnipeg and my responsibilities as Urban Affairs Minister are confined to the City of Winnipeg.

He also refers to the Property Tax Credit Program, which I think more appropriately should be addressed to the Minister of Finance, Mr. Speaker, but referring to the property tax increase approved by City Council yesterday, Mr. Speaker, I point out to the Honourable Leader of the Opposition that this government increased the block funding grant to the City of Winnipeg some 16.8 percent over and above the percentage increase in the expenditures of the City of Winnipeg.

In addition, Mr. Speaker, in administering the UTAP program, reallocated some \$2.3 million towards the purchases of buses in the City of Winnipeg, which amount they decreased their operating budget. Now, Mr. Speaker, the budget which they received from their Board of Commissioners was some \$328,900 approximately. They approved expenditures of \$322,815 so, Mr. Speaker, in fact the budget which came from the administration, Mr. Speaker, was not decreased but was in fact increased by the Members of Council.

MR. PAWLEY: Mr. Speaker, further to the Minister, as of 1980, under the present government's block funding program, the amount of moneys being provided to the City of Winnipeg were some \$6 million less in 1980 than they were in 1977 as a result of this government's actions.

Is the Minister then indicating that no further action is intended on the part of this government, in view of the fact that we are now faced in the City of

Winnipeg with the largest increase, the largest increase save none, that has occurred since the inception of Unicity in 1971?

Is the Minister indicating that there will be no further assistance, no further programs, in order to relieve what is a situation brought about by their lack of and starvation of assistance from the Province of Manitoba to the City of Winnipeg, that there is going to be no further assistance or initiative on the part of his government?

MR. MERCIER: Well, Mr. Speaker, I suppose that political partisan activity of the Leader of the Opposition would inspire him to make the comments that he does, but I suggest to him, as I have already, that a 16 point increase in the block funding grant, as well as the increases in other grant programs to the city, as well as the reallocation of some additional \$2.3 million in the UTAP program was still regarded during yesterday's debate, as I am informed, as a very reasonable increase in funding by the province towards City of Winnipeg Council, Mr. Speaker.

What we are seeing is a budget brought about by City Council in the first year of its office, Mr. Speaker. The people of Winnipeg might be well advised, Mr. Speaker, during the next Civic Election to ask the Members of City Council to bring in the same kind of budget in their first year of office as they will in their third year of office.

MR. PAWLEY: Mr. Speaker, first, UTAP is federal money and I think the Minister must be fully conscious and aware of that when he makes reference to additional input of moneys to the City of Winnipeg from UTAP sources.

Mr. Speaker, I ask the Minister if he will acknowledge that indeed he is ducking his responsibility as Minister responsible for Urban Affairs; as the spokesman on behalf of urban Manitoba, when he ducks any responsibility for a situation which is worsened insofar as the comparison of municipal taxes in the City of Winnipeg with each and every other municipality in Canada; when the Royal Trust confirms today that the taxes of the City of . . .

MR. SPEAKER: Order please, order please. Has the Honourable Member a question?

The Honourable Leader of the Opposition.

MR. PAWLEY: Well, Mr. Speaker, my question simply to the Minister, he acknowledged the Royal Trust survey indicating that the taxation level, municipally, the City of Winnipeg, is the highest of any municipality in Canada?

MR. MERCIER: Mr. Speaker, this government increased funds to the City of Winnipeg in the order of some 16.8 percent in the area of block funding as well, through the Department of Education, Mr. Speaker, well over half of the \$70 million increase in funding has gone to school divisions within the City of Winnipeg to reduce the school mill rate and to equalize that situation, Mr. Speaker, and we've seen throughout the City of Winnipeg significant decreases in school taxes. Unfortunately, Mr. Speaker, the City of Winnipeg Council has seen fit to fill that gap and in some areas more exceeded.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Minister of Urban Affairs, especially in view of his remarks to this Chamber last February in which he expressed: "A special interest and concern that urban transit in the City of Winnipeg be improved and expanded upon." Some improvement, Mr. Speaker. I'd ask the Minister whether he accepts the announcement that bus fares are being increased 50 percent for adults, from 40 cents to 60 cents; that bus passes are up 50 percent from \$14 to \$20 and so on? Is that the manifestation of the Minister's special interest and concern about public transit?

MR. MERCIER: Mr. Speaker, what that is, is a manifestation of the Councillors elected by the City of Winnipeg as to what their views and their opinions are to City Transit.

MR. DOERN: Of course, Mr. Speaker, when you have a gun in your ribs you don't have much of an alternative.

Mr. Speaker, I would also like to ask the Minister about another remark that he made a couple of years ago in which he said that there has to be continual increased support for a transit system. He made those remarks in May of 1978 and I want to ask him, in view of his special interests and the fact that he believes in increased support for transit, whether he's prepared to provide a special grant to the Council for the purpose of mitigating the adverse affects on old age pensioners, students and other riders and the dangers of reducing the number of riders who will access that system and probably result in a higher use of the public automobile?

MR. MERCIER: Mr. Speaker, in advising the City of Winnipeg earlier this year of the 16.8 increase in block funding grant to the City of Winnipeg Council, I specifically indicated to the Mayor and Members of Council that the unusually large increase was coming about because of the concern of our government for the public transit system and for the purchase of buses, which is to take place by the City of Winnipeg this year.

Our letter at that time was based on the estimates of the City of Winnipeg, which had come from the Board of Commissioners, which included in their estimates at that time some \$2.3 million for the purchase of buses. Since then we have reallocated UTAP funds, Mr. Speaker, and that amount has been removed from the City of Winnipeg's budget. At the same time the City has seen fit to use that expenditure as a justification for the increase in transit fares and that is their decision, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, I want to try to pinpoint this question and ask the Minister whether he wouldn't concede that the people of Winnipeg as transit riders were better off under the New Democratic urban policy whereby 50 percent of the price of buses was . . .

MR. SPEAKER: Order please. May I suggest the honourable member's question is argumentative. If the Honourable Member has another question . . .

MR. DOERN: I will try to be more friendly, Mr. Speaker. I would ask the Minister whether he wouldn't agree — well I would ask him this. Under the previous system 50 percent of the cost of buses was paid for by the province and grants were provided to freeze transit fares. There were few if any transit fare increases during our . . . there weren't any in the eight years that we were in power. I am saying to the Minister wouldn't he concede that the transit riders of Winnipeg were far better off under our urban policies, than yours?

MR. MERCIER: Mr. Speaker, unfortunately I can't agree with the Member for Elmwood, I think the transit users and the people of Manitoba are much better off under this government, Mr. Speaker, with the whole fundamental change in the system of financing education in this province, with the increase of some \$70 million in that area.

Mr. Speaker, they are much better off in this province with reduced personal taxation, with reduced corporate capital taxes; Mr. Speaker, they are much better off with the elimination of succession duties, mineral acreage taxes, reductions in sales taxes; they are much better off, Mr. Speaker, with the direction the Premier of this province and the government of the Province of Manitoba has taken with respect to the Constitution issues facing this country; they are much better off, Mr. Speaker, with the direction the Minister of Energy and Mines has taken with respect to mining taxes and the involvement of government in mining; Mr. Speaker, they are much better off with the direction the Minister of Agriculture has taken with the agriculture . . .

MR. SPEAKER: Order please. Order please. The Honourable Member for Kildonan on a point of order.

MR. PETER FOX: Yes, Mr. Speaker, my point of order is this, if the Honourable Attorney-General wishes a platform, he should get his Premier to call an election to make that kind of a speech.

MR. SPEAKER: Order please. The honourable member did not raise a point of order.
The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I am certain that the transit rider will be surprised to hear that he is better off now that he doesn't have to pay an inheritance tax, which he never paid before.

I would like to ask the Honourable Minister of Urban Affairs whether he will recess the government's policy of block funding, which has permitted the increase in transit fare which will result in the average transit rider paying \$120 a year additional taxes, which is more than the entire mill rate increase to the rest of residents of the City of Winnipeg. That is, there is a discriminatory mill rate increase in Winnipeg, 12 mills to people who don't ride the transit, at least 25 mills to people who do ride the transit, and it comes about because of the Minister's block funding to the City, which he has indicated has permitted the aldermen to take this discriminatory position as between citizens of Winnipeg as to the increase in the mill rate as it affects those citizens.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, if the City of Winnipeg ratepayers are unhappy with that increase in transit fares then they will call upon their elected representatives, the Members of Council, to readjust those fares.

MR. SPEAKER: Order please. Order please. I find the line of questioning that is going on is more on the line of a debate rather than seeking information.

The Honourable Member for Inkster.

MR. GREEN: If you will read Hansard, Mr. Speaker, I asked the Minister whether he would reconsider the block funding position of the government, and consider, and now I'll ask him to consider whether it is not sensible that since the Provincial Legislature are raising the taxes that are being used to assist the City of Winnipeg, that the Provincial Legislature and the government . . .

MR. SPEAKER: Order please. Order please. Questions of consideration are really not seeking information, I believe they are offering advice.

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I am asking the Minister of Urban Affairs about a policy directly within his consideration, namely, the policy whereby provincial funds raised by the government and handed to the City of Winnipeg for civic purposes, whether he would reconsider that policy and determine whether because the Provincial Government raises the taxes that it is giving to the City of Winnipeg, it should have something to say as to how they are spent, particularly as it relates to transit?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, it makes common sense that those areas, those jurisdictions that have responsibility in certain areas make the decisions in those areas. That is why we have gone to a concept of block funding which makes the City of Winnipeg accountable for their decisions to their electorate, and they are accountable in this area of transit fares. If that is a result of their decisions and their priorities, then they are accountable to the City of Winnipeg taxpayers.

MR. GREEN: Mr. Speaker, I would ask the Minister of Urban Affairs as to whether he now considers that all moneys spent by the Provincial Government with regard to programs as they affect municipalities, school boards, or other bodies, should be block funded, that the moneys that go to the school boards should be permitted to be spent by the school boards without any reference to provincial concerns with regard to education, which is what he is saying with regard to municipalities?

MR. MERCIER: Mr. Speaker, block funding was introduced in the City of Winnipeg in order to enable the City of Winnipeg Council to establish its own priorities within approximately eight areas, ranging from construction of roads to the operation of the

transit service, Mr. Speaker. Unlike the previous government, Mr. Speaker, we have not chosen to intervene in City of Winnipeg affairs and tell them which street should be repaved, which street should be reconstructed, which street a bus should go down, because that is unwarranted interference in the jurisdiction of the city. They are elected to represent the City of Winnipeg ratepayers and make decisions in those areas, Mr. Speaker, and they should make them and they should be accountable to the civic electorate and they will be at the election and will not be returned to office, I would hope, if they have not made decisions that are satisfactory to them.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Education and is asked on behalf of a large number of people east of the Red River who have been massively hurt by this government's policies on education funding.

Yesterday the Minister said that according to his figures, Transcona-Springfield School Division was the fifth lowest spending school division on operating costs on a per pupil basis and the sixth lowest spending school division on a gross budget per pupil basis. I would ask the Minister if he would review these figures, which I will pass over to him, drawn from the 1980 Manitoba Association of School Trustees' study on school costs, which shows that the Transcona-Springfield school costs were the lowest of the major school divisions within the City of Winnipeg from 1976 to 1980, five years, on an operating cost per pupil basis, and from 1978 to 1980 on a gross budget per pupil basis, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, the honourable member is no doubt correct when he quotes from 1980 figures. Unfortunately, 1981 budgets determine what mill rates will be. He might well take a look at 1981 figures, and those were the figures that I would use yesterday.

MR. PARASIUK: Mr. Speaker, in view of the fact that the Government of Manitoba's Education Funding Program uses 1980 education figures as a base year, is the Minister now saying that he is going to start switching the base years around on the basis of information which is only available to him, or is he prepared to use the 1980 figures, which are the base figures for the Conservative Government's Education Funding Program?

MR. COSENS: Mr. Speaker, we certainly will remain with the 1980 base. It seems to be the one that is working well for the majority of school divisions in this province. What the honourable member neglects to mention is that in this particular school division that he refers to, there is an 18 percent increase in per pupil cost.

MR. SPEAKER: The Honourable Member for Transcona with final supplementary.

MR. PARASIUK: Mr. Speaker, in view of the fact that yesterday the Minister left the distinct impression that Transcona was a big-spending school division, and in view of the fact that the figures, according to the 1980 figures, which are his base year figures, show him to be completely incorrect, will he now send the Transcona-Springfield School Division a public apology, or will he maintain his inflexible, unfair position solely to save face because he is wrong?

MR. COSENS: Mr. Speaker, I reject outright what the honourable member has said. Yesterday I merely quoted the 1981 actual expenditures as they were budgeted by a particular school division. If the honourable member wishes to go back to 1980 and quote per pupil costs, he may well do that; those are correct figures as well.

My point, Mr. Speaker, of course is that we have seen a dramatic increase from one year to another and the honourable member likes to forget that particular point.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Speaker, I wish to direct this question to the Minister of Agriculture. My Speaker, my question relates to a meeting held in Yorkton, Saskatchewan last Monday by the members of the Port of Churchill Development Board and all Ministers of Agriculture for the three western provinces.

My question, Mr. Speaker, relates to information which I am wondering if the Minister could give to this House as to the importance of the Port of Churchill in seeing to it that this coming season grains will be exported from that port.

I wonder if the Minister could advise this House of what took place at that meeting and whether or not any policy decisions were made as to what the future of the Port of Churchill will be.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I am sure the members opposite aren't very interested about Churchill, but let me say the members on this side of the House, I am sure, are.

Mr. Speaker, the meeting that was held on Monday in Yorkton, Saskatchewan with the governments of Western Canada, particularly Saskatchewan and Alberta, to discuss the governments' positions on the use of Churchill, as well as the position that the Port of Churchill Development Board have taken, was to reassure or to reaffirm our commitment to the full utilization of Churchill. We requested that no less than 3 percent of the grain from Western Canada be shipped through the Port of Churchill, which would be a total of some 30 million bushels plus, some two-thirds more than what was moved last year through the port. That's a firm commitment from the provinces and from the Port of Churchill, that we want to see that kind of movement through the port. We are further planning our meeting with the Federal Government on the 3rd and 4th of June in Dauphin, as well as planning to go to the Port of Churchill,

and get a commitment from the Federal Government to see what their position is, to do with the Port of Churchill; to see if we have a firm commitment to use Churchill to the maximum, whether it be for grain or other exports or imports through that port.

MR. EINARSON: Mr. Speaker, I direct a supplementary question to the Minister.

MR. SPEAKER: Order please. The Honourable Member for Inkster on a point of order.

MR. GREEN: Mr. Speaker, I wonder if it should not be that there is a special time for commercial breaks and that we be advised of it in advance.

MR. SPEAKER: Order please, order please. The priority in this House, we try and allow one person at a time; although many members want to speak at the same time, I realize that we can only allow one person at a time.

The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, perhaps the Member for Inkster is not interested in agricultural problems of this province and Western Canada and because, Mr. Speaker, my supplementary question relates to the importance of job employment at the Port of Churchill and important to the farmers of Western Canada, that grain is going to be exported through that port.

I would like to ask the Minister of Agriculture, because of a comment made by the Chairman of the National Harbours' Board, could the Minister of Agriculture . . .

MR. SPEAKER: Order please, order please. We can only have one speaker at a time in the Chamber and I realize everybody wants to speak at the same time, but at this time I recognize the Honourable Member for Rock Lake.

MR. EINARSON: Thank you very much, Mr. Speaker.

My supplementary question to the Minister of Agriculture is . . .

MR. SPEAKER: Order please, order please. If the Honourable Member for St. Boniface wishes to be recognized, he must stand up before he is recognized.

The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, my supplementary question to the Minister of Agriculture is, in view of the comments made by the Chairman of the National Harbours' Board insofar as the operations of The Canadian Wheat Board is concerned, relating to the Port of Churchill, I wonder if the Minister of Agriculture could inform this House as to whether The Canadian Wheat Board has made any definite commitment for grains being exported through the Port of Churchill.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I have unofficial information that there is a commitment from The

Canadian Wheat Board to put approximately the same amount of grain through the Port of Churchill as last year, which is somewhat less than the request that will be going forward from the Provincial Governments and the Port of Churchill Development Board, however, I do not have that information officially and will be further following it up with The Canadian Wheat Board and the Federal Government, requesting that they at least put through the request that we have asked for in the 3 percent of the total products of grain moved out of Western Canada.

MR. SPEAKER: The Honourable Member for Rock Lake with a final supplementary.

MR. EINARSON: Yes, Mr. Speaker, a final supplementary to the Minister of Agriculture. I wonder if the Minister has any information to give to this House in regard to the condition of the railway to the Port of Churchill, particularly the Herchmer line from Gillam to Churchill, as to the upgrading of that line and the problems that have been in the past and whether we can see a better future for that particular railway.

MR. DOWNEY: Mr. Speaker, there has been some upgrading work taking place on the Herchmer subdivision, as well as some additional work being done by the Federal Government and the CNR to work on stabilizing the track where it goes through the permafrost.

Mr. Speaker, there is a report out that indicates that there are some positive technical advances that are able to be applied to the permafrost problem, and in fact I think that we will have an opportunity to observe the infrastructure that is now there to stabilize the track and make it so that the heavier loads of grain can be transported to Churchill on the hopper cars that are required to move grain.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Speaker, I wish to direct my question to the Honourable Minister of Labour. Will the Minister of Labour now call an industrial inquiry into the Greater Winnipeg Gas strike, which inquiry the Progressive Party has been asking for, for the past number of weeks?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Mr. Speaker, I am not certain if I should reply to the statement by the Minister of Agriculture or ask a question, but in keeping with the procedures of the House, I will phrase a question to the Minister of Agriculture, and ask him if he can be more specific, exactly about the Herchmer line, if he can be more specific as to what those positive technological advances are that he spoke to a moment ago?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Yes, Mr. Speaker, there's a test being carried out by the Canadian National Railway and also the Federal Government. It's a five-year program, where in fact they're using some space age technology, where they use a heat transfer piece of equipment that continually keeps the ground frozen. It's a mechanism that is implanted along the track and it has proven to work very successfully in the test area, and I would expect to see further information available as the test progresses in the next two years, Mr. Speaker.

MR. COWAN: My question to the Minister is, if he can be more specific, Mr. Speaker, as to where those heat sinks have been implanted, how many have been implanted, at what cost they have been implanted, and when it is we can expect a report as to the effectiveness of those particular heat sink transfers?

MR. SPEAKER: Order please, order please. Detailed information of that nature should be asked for by way of Order for Return.

The Honourable Member with a final supplementary.

MR. COWAN: Thank you, Mr. Speaker, I don't mean to put the Minister on a spot like that. The question to the Minister is, if he can indicate what upgrading is going on currently at the Port of Churchill in respect to being able to accommodate those hopper cars, if in fact this technology does work out so that hopper cars can use the Herchmer subdivision to make it to Churchill? Has he been in contact with the Federal Government in order to determine if they are going to upgrade the facilities of the port so that they can more effectively handle hopper cars, if they do make it to the port?

MR. DOWNEY: Mr. Speaker, I'm sure the Member for Churchill is quite unaware of the process of grain handling and the different kinds of mechanisms that have to be used to handle the hopper cars versus the old type boxcars. The hopper cars are quite a modern piece of equipment used for transporting and moving grain and in fact, all that has to happen is that the car moved over top of the chute and the chute is pulled as opposed to lifting up the total boxcar and dumping it from end to end, which is a lot more of a mechanical action. I believe, Mr. Speaker, there would be very little upgrading to really take place to accommodate the cars that would hopefully be used to deliver grain to that port.

MR. SPEAKER: The Honourable Member for Transcona.

MR. PARASIUK: Mr. Speaker, my question is directed to the Minister of Education. In view of the fact that the base year for education grants under the Government's Education Funding Program is 1980 and in view of the fact that he said that, undoubtedly I was correct when I said that Transcona-Springfield's spending was the lowest of all the major school divisions for the year 1980, which is his base year, is the Minister now prepared to take a look at the situation in the Transcona-Springfield School Division, sit down with them, to try and come up with a reasonable compromise

position, so that the Transcona School Division wouldn't be put in the position by this government's funding proposal of going from the lowest-spending school division to that which now in 1981 will be the highest taxed school division in the City of Winnipeg? Is the Minister prepared to sit down with them reasonably to work out a compromise on this problem?

MR. COSENS: Mr. Speaker, I have met with the Transcona-Springfield School Division Board. They have presented me with statistics on their budget. It has been their choice in their wisdom to budget at a particular figure which far surpasses the percentage level last year. This is the main aspect that is creating a problem in this instance. That is well within their jurisdiction to determine what level their budget will be at, Mr. Speaker.

MR. PARASIUK: Mr. Speaker, I would ask the Minister if he would reconsider his position in view of the fact that Transcona-Springfield School Division this year is right in the middle of a three-year building and operational funding program, which they brought in last year following the old rules of education funding, and they now find themselves in a serious predicament because the government unilaterally, without consultation, has rammed through an education funding proposal that hurts a significant tax group within the City of Winnipeg?

MR. SPEAKER: Order please. The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, to make a statement like that is absolutely ridiculous, to say "without consultation". We have consulted with every educational body in this province and have had input from them all. This is not a plan that was placed lightly before the people of this province.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUK: Mr. Speaker, I don't use the question to debate as does the Minister in his answer. I would ask him if he would look at the historical facts to determine whether in fact there was any consultation between the Government of Manitoba and the school divisions, especially those negatively affected, when they developed this particular financing proposal which they brought in over the last four months?

MR. COSENS: Yes, Mr. Speaker, we have had input from the Transcona-Springfield Division. Without a doubt, I can produce for the honourable member briefs that we have received from that School Division, and we have had discussions with them, but I must tell the honourable member that we do not tell school divisions how they are going to budget. That is within their jurisdiction, it's part of local autonomy, and they make those decisions.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, yesterday when the Honourable Member

for St. Boniface raised questions with regard to young people attending agencies that provide meals, I advised that I would have a report today with the regard to the present status of those agencies.

I would like to inform the House that with regard to the Salvation Army Harbour Light, since the question of children attending the Food Services at Harbour Light last December, there have been 20 to 25 cases referred to either the City of Winnipeg Welfare or the Provincial Welfare Department, which were followed by the various people to make sure that there was no child neglect. Up till now there has been no reference to the Children's Aid Society of Winnipeg that in fact child neglect existed.

With regard to Rossbrook House — I might say before we go to Rossbrook House, that the Salvation Army has the ongoing liaison with the Children's Aid Society that if there are any indications that children are attending that facility that appear to have neglect that they will notify the Children's Aid Society immediately; further that they encourage children to attend, in other words, the family to attend with their parents in the treatment that they have for those particular citizens so that it's natural for children to be in attendance at Harbour Light with their families.

With regard to Rossbrook House, which we know is an agency that has been set up as a drop-in-centre in the centre core area, there is in the order of approximately 40 to 60 young people that attend that nightly and they do provide foods for those that may want to have it.

I might say that in the instance of last weekend that Sister MacNamara had indicated, I believe it was to the Director of Child Welfare, that the numbers fell off because of the change of weather, which does occur; that when the warm weather appears that for some reason the attendance falls off, which would contradict the concern that we have that there was in fact an increase of children attending these agencies.

I can advise you that the Director of the Children's Aid Society Winnipeg, has written Dr. Latinecz asking him to declare any children that he knows that are attending these particular agencies, because by law if there is child neglect in the Province of Manitoba under Section 36, it is the responsibility of any citizen to report to the Children's Aid Society or Director of Child Welfare, where they expect child neglect occurs to report immediately.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, would the Minister assure this House that no children will go hungry over this weekend while this investigation is continuing? That's the main thing, we know the laws.

There are some that feel that this is not a serious question. I think we have news for them, I am just asking the Minister to make sure, after the report that there is . . .

MR. SPEAKER: Order please, order please. The Honourable Minister.

MR. MINAKER: Mr. Speaker, I am sure that all of us are concerned if there are any children that are going hungry on any weekend, but I can advise this

to the honourable member that these agencies provide the service of providing a meal, and it is not uncommon that these young people that attend these particular agencies may have already had two or three meals that day, and are like any youngsters, are hungry like my youngsters are hungry even after they have had three meals, so it is very difficult to guarantee that there won't be young people in our province that may be hungry this weekend.

MR. SPEAKER: Order please, the time for question period having expired we'll proceed with Orders of the day.

The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE: Mr. Speaker, in rising to speak to a point of order, I would like to advise the members of the House that I told my colleague, the Member for Burrows, that I would even change my deodorant, but he insisted upon exercising his prerogative because of being elected in 1966 and I in 1969; he exercised his prerogative to sit in the second row.

Mr. Speaker, in rising to speak to a point of order, Mr. Chairman, I am advised that there has been a bill tabled in the House of Commons with amendments to The Narcotics Act, and the impact of such will, in my opinion, render inoperative an amendment that we passed to The Legislative Assembly Act during this Session. Having perused the rules, I am of the opinion that we can only proceed to consider something which has been dealt with during the current Session by unanimous consent of the House. I am in somewhat of a dilemma in how to deal with what I see as a problem, because should it be the case that the House adjourn or prorogue and no election is called until the statutory date of October 1982, then the situation which we had hoped to correct will not have been corrected. So, Mr. Speaker, I didn't rise during the question period because it is a matter of procedure. Should it be your ruling which I feel you that you must rule when I'm out of order, perhaps I could take this opportunity to give notice, that should it be the case that the amendment which possibly could amount to a sentence of the Member for Wolseley being reduced to mandatorily three years, then I would introduce a motion on a matter of privilege that unanimous consent be given to re-open that particular bill and rectify the situation in keeping with the intention of the amendment which I had offered when the bill was being considered.

MR. SPEAKER: Order please. I thank the honourable member for raising what he considers to be a point of order, however, I would point out to the honourable member that until an Act is passed in the House of Commons, we cannot raise any issue in this Chamber until that becomes law. So at this point in time, the point of order raised by the member is not really a point of order.

The Honourable Government House Leader.

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

MOTION presented.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I rise on a matter of grievance arising from the responses which were received this afternoon from the Attorney-General, the Minister responsible for Urban Affairs, as well as the Minister of Education, and also pertaining to the responsibilities of the Government as a whole relating to financing of local government in the Province of Manitoba.

Mr. Speaker, we heard the Minister of Urban Affairs earlier this afternoon attempt to relieve himself of any responsibility for the situation which is now creating an impact upon the ratepayers of the City of Winnipeg by way of his reference. By way of his reference, Mr. Speaker, to the fact that grants had been increased by some 16 percent this year over last year to the City of Winnipeg.

Mr. Speaker, what is astonishing, and I regret that the Minister of Urban Affairs is no longer in the Chamber, so that one can address one's remarks directly to him, is that the Minister of Urban Affairs would attempt to take credit this year for an increase of grants in this neighbourhood of some 16 percent. Well, he starved, as Minister of Urban Affairs, the City of Winnipeg from 1977 through to 1980. Mr. Speaker, what we are dealing with is the fact that from 1977 to 1980 the City of Winnipeg received some \$8.5 million less from this Government, despite the increasing costs introduced by inflation, \$8.5 million less and, Mr. Speaker, I was slightly out in my figures and in my question to the Minister of Urban Affairs, I'd indicated \$6 million. It was \$8.5 million less, paid by the Province of Manitoba to the City of Winnipeg as compared to 1977 according to the old formula that was in practise, Mr. Speaker, under the time of the New Democratic Party Government in the Province of Manitoba.

In fact, I have here a letter from Pearl McGonigal, Deputy Mayor of the City of Winnipeg, dated October 27th, 1980, when she points out, I would like to read from the letter in case there is any doubt on the part of any members across the way, that there is any inaccuracy in the figures being provided. In the letter, the Deputy Mayor points out, "The City obtained through grants a larger portion of provincial growth tax revenues in 1976 and in 1977 than in 1978, 1979 or 1980." She continues: "Had the City received through grants the same proportion of provincial growth tax revenues in 1979 as it did in 1976, the 1979 grant would have been \$58.-some million instead of the \$52.8 million, resulting in a shortfall of \$5.5 million." Then she continues, "The 1980 grant would be \$64,495,000 instead of \$55,890,000, is estimated that the city will receive this year resulting in a shortfall of \$8.6 million."

So, Mr. Deputy Speaker, what are the concerns of Members in the Opposition, the concern of residents not only of the City of Winnipeg but indeed throughout the entire Province of Manitoba and particularly the municipal representatives of this province that the Minister of Urban Affairs can attempt to duck his responsibility by blaming the situation by which the city councillors and municipal people of this province are in this year on their backs rather than assuming full and total responsibility

himself for the situation that the municipal people are faced with this year. And despicable, Mr. Deputy Speaker, was the same sort of approach assumed this afternoon by the Minister of Education. We have been unable to obtain straight answers from the Minister of Education pertaining to the Transcona-Springfield situation. Transcona-Springfield situation demands and deserves remedial action on the part of this government. We have not heard a word might I mention as well, Mr. Deputy Speaker, from the Member for Springfield who wasn't obviously doing his homework as it was pointed out to us on the part of the school trustees in the Transcona-Springfield district only some two weeks ago.

Mr. Deputy Speaker, what we have is the Minister of Education ducking his responsibility, attempting to place full responsibility on the backs of the school trustees for a messy patchwork system that this Minister of Education must assume responsibility for that he's introduced to the Province of Manitoba in which, Mr. Deputy Speaker, he has created inequities within the present system rather than attempt to deal with proper educational finance reform in the Province of Manitoba. Mr. Deputy Speaker, for the past three years this government has roared, roared like a lion, and has produced a mouse. That's what we have, Mr. Deputy Speaker, as a result of what the Minister of Education has done.

Mr. Deputy Speaker, what we are faced with is a Minister of Urban Affairs that shrugs his shoulders this afternoon and suggests to us that the blame must be attached to the councillors because this is the first year of their term in office.

Mr. Deputy Speaker, this is the last term in office of this Government and after three years of deliberate restraint and cutback, they now in their final year of being in office, and I underline the word "final" are increasing financial assistance by 16 percent. Mr. Deputy Speaker, it is not the fault of the councillors of the City of Winnipeg, the fault rests with this government, that after three years of financial neglect and restraint and cutback, Mr. Deputy Speaker, this government now attempts to take credit by suddenly increasing its assistance by 16 percent after three years of financial starvation of the City of Winnipeg as well as all the municipalities in the Province of Manitoba.

Mr. Deputy Speaker, I also note some of words that have been uttered in the past by the Minister of Urban Affairs, and also indeed by the Progressive Conservative Party when they met for purposes of determining an urban strategy on the 5th day of October 1977, and I have in my hands a bulletin that was issued and prepared by the Manitoba Progressive Conservative Party in which they indicated that their foundation enrichment program intention would be the delivery of actual property tax reductions on real property — the delivery of actual property tax reductions on real property.

What were we faced with after the Conservative policy statement; 1978, 1979, a freeze in the property tax credit system, cutbacks by way of financial assistance to the city and the municipalities of the Province of Manitoba. Cutbacks, Mr. Deputy Speaker, that resulted in sharp increases in transit fares in 1978 in the City of Winnipeg, and in 1979 we have the Minister of Urban Affairs saying on page 1323 of Hansard, "I think generally speaking the

municipal tax for real property taxpayers are not overburdened with municipal taxation, that they get good value for their dollar but the area that has to be dealt with and resolved is the amount levied against real property for education." In 1980, the Minister said again on page 3080 of Hansard, the Minister of Urban Affairs, here are his words, "I am happy to be part of a government that in effect has reduced the burden of taxpayers in the City of Winnipeg this year compared to last for people with average homes in the City of Winnipeg. I recognize it is not totally the long-term solution to financing of both schools and municipalities, but that has in effect been a reduction in taxes this year and I am satisfied that we will be addressing the long-term problems, the Minister of Urban Affairs outlining to us in 1980 that the long-term problems would be dealt with. After three years, after three years of being in office, the Minister of Urban Affairs attempts to provide us some assurance.

Then, Mr. Deputy Speaker, we have on page 2972 of Hansard, April 28th, the same Minister of Urban Affairs stating, "The province must ensure that all municipalities including the City of Winnipeg had access to sufficient revenues to support the necessary levels of expenditure on local government services and facilities. At the same time this government believes very strongly that municipal councils should have maximum flexibility to determine expenditure levels according to local priorities for which they are accountable to their electors." Then the Minister in the same speech boasted that the property tax credit increases of last year did indeed decrease taxes in all but two school divisions in the Province of Manitoba.

Mr. Deputy Speaker, the issue now is, what can this government do? After three-and-a-half years of financial neglect, after a situation which as we read today, by which the average home assessed at \$8,000, the increase of taxation: Seine River estimated to be \$180; Transcona \$161; River East \$188; St. Vital \$110; St. Boniface \$130; Seven Oaks \$73; Norwood \$50 and some cents; Fort Garry \$19.07; Assiniboia South \$33.10; St. James-Assiniboia \$48.75; only Winnipeg showing a decrease.

Mr. Speaker, what ought to be done on the part of this government in view of what has occurred, is adjustments pertaining to property tax credits, so that there can be adjustments still undertaken during this tax year for ratepayers throughout the Province of Manitoba. And, Mr. Deputy Speaker, this government cannot extricate itself by simply increasing the base of the property tax credit system. What is required is an increase in the maximum under the property tax credit system. If we indeed should increase the base throughout, all we will have done is continue to widen the differential which has resulted from the Minister of Education's proposals by way of supposed tax reform in the City of Winnipeg. So you would reduce, for instance, the Seine River average tax base increase to \$80, but insofar as Winnipeg you would increase the decrease to \$140. So that is not the answer for the Minister of Education to pursue.

The answer for the Minister of Education — we call upon the Minister of Education, the First Minister, and the Minister of Finance, to begin

immediately effort, to bring about an adjustment to the situation which they have caused this year — is to meet in order to develop a formula by which the maximum under the property tax credit system can be increased so those that are on low and middle income areas and brackets can be best helped. And we call upon this government now, to undertake that immediate action, Mr. Deputy Speaker, while there is still opportunity for them to do so before the tax bills are mailed to the ratepayers of the Province of Manitoba.

Secondly, Mr. Deputy Speaker, there is a serious problem pertaining to inequities created by the Minister of Education in regard to his entrenchment of differentials from one school division to the other. We have already received numerous complaints in respect to the fact that differentials from one school to the next have rather than been equalized have indeed been entrenched, and the Minister of Education says "not true", just as he responded "not true" to the allegations by Transcona-Springfield which were found indeed to be true, and the Minister's statements to be untrue.

Mr. Speaker, what is required is a complete re-examination and revamping of the government's educational support program in order to ensure that there is greater equity, school division to school division, rather than the entrenching of the existing differentials which exist from one school division to the next.

Mr. Speaker, for three-and-a-half years we have been expecting basic educational reform. We were told about basic educational reform to take place in 1978, Throne Speech 1979, 1980, and this is what we have for it, Mr. Speaker, and if we appear to be frustrated as our school board representatives throughout Manitoba and Manitobans in general, it's because they expected much more than what they have received by way of reform from the Minister of Education. And let it be placed on record that the Minister of Education laughs, he still has not recognized the seriousness of the problem which relates to his lack of reform initiative in the Province of Manitoba.

Mr. Speaker, if this wasn't sufficient that the ratepayers of Manitoba are hit by way of increased property taxation because of a lack of initiative and because of political management rather than economic management on the part of this government.

We are also now confronted with and we've had great of debate, a great deal of debate in the last few days, about the discriminatory measures that were enacted in last year's budget, pertaining to the Property Tax Credit and the Cost of Living tax credit changes. Discriminatory changes that we indicated in the spring of 1980 were hucksterism. They have proved themselves, indeed to be hucksterism and the result again has been serious impact, negative impact, upon so many of low and middle income brackets in the Province of Manitoba.

So you add it up, Mr. Speaker. By the backdoor, this government has extracted millions of dollars from the pockets of Manitobans by way of restraint policies, which have placed municipal and school board governments in an untenable position. By backdoor income tax changes last year in the budget; changes, Mr. Speaker, that have not added

to progressive taxation in the Province of Manitoba; changes, Mr. Speaker, that have added unfairly to those in low and middle income levels in the Province of Manitoba; and as was mentioned earlier, we are also confronted with this pertaining to the transit fare increases.

On February 27th, 1980, the Minister of Urban Affairs had this to say, on page 23 of Hansard. I want to read the words of the Minister of Urban Affairs into the record. "Yes, Mr. Speaker, I do have a special interest and concern that urban transit in the City of Winnipeg be improved and expanded upon, and I think the trend that we see in gasoline prices and energy costs across Canada and North American and the world will ensure that this will happen; and I think the announcements that were made in the Throne Speech in general, in reference to the Manitoba Energy Council and matters under consideration by the Minister of Mines and Energy policies will be developing in that particular area to assist in the problem for urban transit and many other energy affairs."

The Minister of Urban Affairs said that the problems relating to transit would be remedied, that the Energy Council's initiatives would remedy the problems pertaining to transit in the City of Winnipeg. That's what the Minister of Urban Affairs said a year ago.

Well, Mr. Speaker, the transit users of the City of Winnipeg must indeed be wincing today at recollection of those words by the Minister of Urban Affairs.

What is taking place again is more extracting from one pocket and then pretending reforms and placing money in the other pocket. Ask any transit fare rider today whether or not he agrees with the comments by the Minister of Urban Affairs that constitutional changes are going to improve the lot of the transit fare operators in the City of Winnipeg, does he agree or she agree with the Minister of Urban Affairs in that statement, and the answer will be a resounding "No", or the Minister of Urban Affairs' comment this afternoon that the elimination of succession duties is going to put moneys into the pockets of the transit fare passenger in the City of Winnipeg.

Mr. Speaker, I would hesitate to even suggest that the Minister of Urban Affairs would have made such a statement, because I think there are very few residents, transit fare passengers, that would think for a moment that the Minister of Urban Affairs would try to suggest that transit fare riders must indeed be happy today, because succession duties were eliminated in the Province of Manitoba. The government's launching a tremendous battle on behalf of the province to combat constitutional changes being proposed, but at the same time there's been a hefty increase in fares, and the Minister has the audacity to suggest to transit fare riders in the Province of Manitoba, be happy for small mercies. Who is the Minister trying to kid? Who is the Minister trying to kid?

Then we have many other matters that are confronting the municipal ratepayer in the province. I could have dealt at some length with the attempts on the part of the Federal Government to reduce its share of RCMP services; the ducking on the part of the Provincial Government for any responsibility in picking up any of that additional burden that would

end up being placed upon the ratepayers of urban centres in the Province of Manitoba. The Union of Manitoba Municipalities, by way of their resolution passed last year, made it very clear and very specific that they would accept no ducking of responsibility on the part of the Provincial Government; they would look to both levels of government, Federal and Provincial, not to leave the municipalities of this province holding the bag, insofar as additional costs brought about by additional RCMP costs in the Province of Manitoba.

So what we are faced with in summation is a situation that this government has brought on to itself, and unfortunately in the process, a situation that has hurt the municipal and school board ratepayers of the Province of Manitoba, a situation by which we witness unparalleled increases by way of taxation at the local level.

According to the Mayor of the City of Winnipeg, the highest tax increase in the City of Winnipeg since the formation of Unicity; according to the Mayor of the City of Winnipeg, the highest tax burden faced by any city, in fact any municipality in Canada; and the only response that we're able to obtain from this government, whether it be the Minister of Urban Affairs, whether it be the Minister of Education, is it's not our fault, blame the municipal ratepayers representative, blame the school board member for the plight, the plight that the people of the City of Winnipeg are in.

We say, Mr. Speaker, that this government cannot and must not abdicate its responsibility, and, Mr. Speaker, we say to you that although this government may be very well abdicating its responsibility, that we will ensure that every effort will be undertaken on the part of the Opposition to not permit this government to continue to abdicate that responsibility, and when there's a change in government, after the next election, Mr. Speaker, we will be getting down to dealing with the basic fundamental problems confronting municipal and local government in this province in order to ensure that services that are provided to by people are mainly picked up by the general revenues of the Province of Manitoba and, Mr. Speaker, that provincial representatives no longer meekly and weakly duck their responsibility, but assume responsibility for people at the local level. The elected representatives in this House are just as much responsible for the Winnipeg ratepayer as the Councillors of the City of Winnipeg are, and in fact, Mr. Speaker, I'm sure that in the final analysis the ratepayers, not only of the City of Winnipeg but of the Province of Manitoba as a whole and all of the municipalities, will look ultimately to the representatives of this Government and I'm sure that there will be some expression of disappointment on the part of the people of this Province, how promises were broken; how commitments have been ignored; how there has been so much fine rhetoric over the past three years; and yet at the end of three-and-a-half to four years, by way of the shell game that we've often made reference to, the people, the ratepayers, the transit users, the other users of services in the Province of Manitoba have been left holding the bill because of three-and-a-half years of ill-founded, irresponsible, incompetent management of the affairs of the Province of Manitoba by this Conservative Government.

QUESTION put on Motion to go into Committee of Supply, MOTION carried and the House resolved itself into a Committee of Supply with the Honourable for Radisson in the Chair for the Department of Energy and Mines and Honourable for Virden in the Chair for the Department of Community Services and Corrections.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - COMMUNITY SERVICES AND CORRECTIONS

CHAIRMAN, Mr. Morris McGregor (Virden): I call the committee to order of Community Services and Corrections. We are on Item 5, Page 26, (a)(1) — pass; (a)(2) — the Member for Seven Oaks.

MR. SAUL MILLER: Firstly, on this line here, Rehabilitative Services, the amount last year was \$32,227,000.00. Has that all been expended, or will it be expended? I just want the total.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, in answer to the honourable member, it is slightly underexpended. I can possibly get the general region of the value of the underexpenditure in half a minute. The main reason being was the delay in opening up of some of the community residences.

I would say that where it was possible, we diverted the unexpended funds into some new programs for the remainder of this fiscal year, that had been initiated under the Manitoba Marathon and some other areas relating to mental retardation.

MR. MILLER: Mr. Chairman, I don't quite follow the Minister. He says it is slightly underspent because some of the community residences were slower in getting going; I guess that's what he meant. He did say, however, the funds would be used and paid for purposes in 1981-82. Is that what he said?

MR. MINAKER: No, Mr. Chairman, what happened — an example was, we provided a new \$25,000 worth of funding for apartment living for the remainder of the year and then also, Mr. Chairman, we paid some deficits which occurred, I believe, in three of the occupational activity centres. We did a survey of all the occupational activity centres to find out how their funding was going and it came back, I think, that three out of the 21 centres had had difficulties and their deficits were cleared up.

MR. MILLER: But in fact it wasn't therefore an underexpenditure; it was simply that the money may not have been spent for community residences, but was in fact spent for something else. So, generally, the full amount shown in this Appropriation 5. has in fact been spent, not down to the last nickel, but has there been any significant shortfall in expenditures? From what I gather from the Minister, there hasn't been.

MR. CHAIRMAN: 5.(a)(1) — the Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, just a small point, but I have a criticism here. Office of Rehab Services,

Manitoba Special Olympics — that grant to the Manitoba Special Olympics would come here? That's something new that I see on the list; it is \$9,000.00.

I want to hasten and explain why I don't like this. It is not the fact that you are helping these people but I don't think it should come under this department. I think that when you are talking about sports and fitness, it is time, and this is what governments are preaching, that we deal with these people as ordinary people. You are talking about sports — (Interjection)— my point is this, that under this, 5.(a), you have a grant for the Manitoba Special Olympics for \$9,000.00. I am very much in favor of the government supporting these people, but I don't think it should be under this department at all. It should be under the Department of Fitness and Amateur Sport, because you are singling out people and it practically looks as if it's charity or welfare, and these people are entitled to it and we are saying, more and more governments are preaching and these people, the different organizations of handicapped people and so one, want to be treated like anybody else and they take their Olympics very seriously.

I guess the main thing is they get the money and I don't want to be overly critical, but I would suggest, if there is any more of that, that should go — you have a department, a much smaller department than this, Fitness and Amateur Sports, and that's where you should find the — because they are helping the Olympics, they are helping the Canada Games, they are getting involved in that with the athletes and these people are athletes like anybody else.

MR. MINAKER: I will take the honourable member's suggestion under consideration for next year's Budget. The only thing I would like to indicate is that this money is used to seek out volunteers, who assist in the provision of these programs, so it's primarily to assist in seeking out volunteers and to assist in the program, but we will look at it. As you say, they do not want to be segregated and we will look at providing it under a different part.

MR. DESJARDINS: Let me just say that you some of the grants that are made under Fitness and Amateur Sports also are to seek volunteer organizers, coaches and trainers and all that, the same thing, so I think it would be just a gesture to further recognizing that they are ordinary people with some handicaps.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: I assume, Mr. Chairman, this is the group, the administration, which has to approve the community residences for the mentally retarded; therefore, I want to talk on that aspect of it.

The City of Winnipeg last year, I believe, finally changed their zoning requirements so that the problems, which occurred in the past with regard to setting up these residences, have been somewhat alleviated, or considerably alleviated. I am wondering, therefore, about two aspects of it. One, are there many more plans for this year, and to what extent does the government assist in the capital financing or the capital acquisition of a home, for children, mentally retarded in residence in the community. Or does the government simply not

contribute any capital, but simply pay towards the operating cost.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, we have continued the policy as was the case when the honourable member was the Minister, that we recognized the costs of borrowed money in the per diem rates, but the Manitoba Marathon, as the member knows, is also involved in providing part of the capital of some of these community residences, so that if there's continued payment then we recognize the cost of the borrowed money in those as well.

In terms of the numbers of community residences for this year, we're looking in the order of approximately four. If you noticed four to five, yeah, if you noticed in the announcement in the opening remarks, I believe we have, if I remember correctly, approximately \$185,000.

MR. DESJARDINS: Financial assistance line, is that it? Is it in four?

MR. MILLER: Mr. Chairman, what basically is occurring is this, that the people who want to establish a community residence, have to find the financing, once they find the financing, they apply to the province for recognition and once recognized they'd be paid a per diem, which would help them to retire the capital investment.

Mr. Chairman, the Minister indicated there were four more. Could the Minister tell us whether this all those, will that meet the needs of all those that have applied to date, or are there simply some that are being told to wait, because the province isn't prepared to fund their operations?

MR. CHAIRMAN: The Member for St. Boniface.

MR. DESJARDINS: getting the information. Last year the Minister was good enough to give us a list of the community residence for moderately retarded, providing supervision only the names, the number of clients that is served, the per diem and the expenditure for — well that was 1978-79 that I have here and the staffing. It would be nice if we can have that to make a comparison.

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: First in answering the Honourable Member for Seven Oaks, that we have had requests for eight bed residences as well as other numbers for — and six bed. The numbers of four or five new community centres, residences would cover the request that we've had for eight bed residences.

No, we haven't got enough funding at this time to cover those requests. We are looking towards the idea of providing special allowances for different levels of care, in the same way that we have in the mental health care field, in the mental retardation field, where we will have a certain allowance per month for a level 1, level 2, level 3, and level 4 care, and we feel that when that is approved, that we can probably accommodate some of these requests, because we know at the present time that it can be done in the mental health field, but at the present time that has not become an approved policy of the

government, this level of care allowance that we are looking at.

MR. MILLER: Am I to assume from the Minister's statement, when he says the eight-bed ones are being approved or have been approved, and there are no eight-bed ones that have not been approved — there are none that are on the waiting list?

MR. MINAKER: Mr. Chairman, we will still have to approve the four new community residences. (Interjection)— No.

MR. DESJARDINS: Is there money in here for that?

MR. MINAKER: Yes, Mr. Chairman, there is \$185,000 of new funds above and beyond the funding that we had last year, along with the increased costs of funding the existing residences. That is to recognize the Manitoba Marathon and their input; it's only part of the Manitoba Marathon input recognition.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, again, I want to pin it down. Then there is money in this year's Estimates to allow these eight-bed community residences to come onstream in 1981 and 1982, and although they may not have been informed of that, you will inform them, I am sure, after the Estimates are passed.

Now, with regard to the four and five-bed ones, is the reason that the request is for four and five-bed rather than eight-bed because of the kind of residents, the disability of the residents which determines the request for only four and five in a community residence? I am just wondering why these groups wouldn't also seek to go the eight-bed route, rather than try to reduce the size.

MR. MINAKER: Mr. Chairman, the four-bed residence is more of a foster-type setting and that's why we feel if we established different levels of care allowances, that we should be able to — or anybody that takes on this option should be able to finance that type of a residency. We have been advised and indicated to by the CAMR that it might be easier to locate and find a residence that would handle four residents easier than it might be for eight.

Our concern is the fact that if we went to a four-citizen-type residency that we would have to double those particular group homes in Winnipeg, or anywhere.

MR. MILLER: I can see the unit cost per bed would be higher if the number of people living in the residence is smaller, because you still need the couple who lives in and instead of looking after eight people, they would only be looking after four, so I can see that.

So it has nothing to do with the degree of disability or the degree of retardation that determines that, it's really whether the people can find a residence, an older home that's big enough to accommodate eight residents plus a couple, a live-in couple. Is that the problem that they can't find these larger homes at prices that they can afford to pay?

MR. MINAKER: Mr. Chairman, it has been indicated that is part of the problem.

MR. MILLER: What's the other problem?

MR. MINAKER: Well, Mr. Chairman, the four-bed residents could be that there would be four moderately retarded people in a four-bed residency and it becomes more of a foster sitting. The fact that we have indicated that we want to try and maintain an eight-bed type of residency because of the cost factor, that is why we're introducing these levels of allowance for care, recognizing then that if you get four moderately retarded citizens who want to live in one of these four-bed residences that we should be able to look after the majority of the financing of that situation with these levels of care.

MR. MILLER: Mr. Chairman, is the Minister saying that whereas the traditional, if you want to call it that, they're not all that old, but the traditional community residences for the retarded are sponsored by an organization or by a group who raise the funds, acquire the house, and then proceed to hire somebody to act as live-in surrogate parents, house parents? Is he saying that's the traditional way, but the other way is for someone, anyone, who has a business to simply say, I'm prepared to run a foster home, I'll take in four retarded people and get paid as if I was running a small business, almost a lodge of some kind for retarded but I'll only take in four people? Is he saying he's looking at that as a possibility?

MR. MINAKER: Mr. Chairman, that is a possibility with the new guest home regulations, that that could come about, that if it ended up that in that particular facility you had four citizens that qualified for social allowance, that that could actually take place.

MR. MILLER: So they'd be very similar to any guest home operation in a sense only instead of . . . they would be for ill people involved here.

Is the Minister satisfied that this is the way to go when dealing with the mentally retarded? Is he satisfied that using that approach of people who are looking at this as a business is the best way to go even though he may have licensing and inspections and so on? Doesn't he feel that working through organizations and getting the community as a whole involved, is really the best way of bringing these community residences into being and making sure that the services in that home and the standards in that home are maintained at all times, rather than leave it to someone who is looking at this as an income. In the traditional eight-bed home, the houseparents are hired by the board and the board usually are the parents of children there, so they make darn sure that the home is run properly and if it's not, they can fire the houseparents.

In the case of a privately-owned facility that takes in four or five mentally-retarded children or adults, then the profit aspect of it comes into play. Is the Minister satisfied that he should even consider that as another avenue, another alternative, rather than trying to work through organizations and groups of parents who get together and form a non-profit organization so that they can take in both their own children and other children as well. We know the kind of care they are in and the atmosphere they are in is very much geared to the needs of the residents and is not coloured by the fact that they have got to make a buck at the end of the year.

MR. MINAKER: Mr. Chairman, maybe I was misunderstood. What I had indicated was that we are now offering that to the non-profit organizations to take up as an option. The system exists out there at the present time in the guest home situation that we do have some mentally-retarded people being cared for in guest homes. What we are proposing now is that we will indicate to the CAMR groups, or any towns or cities that have citizens who volunteer and want to open up one of these residencies, that we have this option as well as a community residence option available to them, where we fund the actual budget of the community residence, or we can offer them the different levels of care allowance, if they want to take that on like a guest home operator.

MR. CHAIRMAN: The Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Chairman, I am interested in the presentation of the budget and the descriptions there and I want some clarification on a comparison. In last year's Estimates, under this item, 5.(a), there is the same description of the nature of the work and I would like to read it just to confirm that — if you will follow the current year, you will see it, and last year's, I think, is the same — it says, "Divisional administration, including program support and funding of services, care and accommodation for persons living in the community." I think that is the same as we have this year, but the amounts are different.

The amounts shown approved for last year are greater than the amounts shown on the left-hand column here. In order to satisfy myself as to how it happened, I looked at last year's Health Estimates and I find that there is no similar section under Health and this year, under Health, there is a very very similar program and I want to read it in. While you look at the item we are dealing with, 5.(a), I want to read to you what it says under 2.(b) on Page 73 of these Estimates, under Health.

It says, "Provides program support, funding of services, and care and accommodation for persons living in the community," so it seems to add the word "and" and it seems not to say "divisional administration including."

When I compared the two last year, the two left-hand columns, I find that in most cases, in three out of these five items before us, (1), (2), (3), (4), and (5), the total of what is shown under Health and shown here under Community Services adds up to what was shown last year under Community Services, so there is obviously something split away from last year's budget and put into Health this year — I don't mean this year — that has been put into Health, because they are showing the costs in this year ending next week as being some \$547,000 — no, I'm sorry, I'm looking at the wrong figure — \$195,800, which is fairly close to what was voted last year under this column, under Community Services.

I question this; I want an explanation of the division of services, because it seems to me that when we approved of the Estimates last year, we approved of this whole program being done in the Department of Community Services and this year we are being, and have been asked, to divide the program between Health and Community Services. I am concerned, as I became concerned, was it two days ago, when we learned that the Minister said,

and I quote from my memory, "The Minister of Health has indicated that he would like to take more of the health features under his department." I am bothered about the thought of having — is the word "bifurcated?" it's a good word anyway — supply of services generally, but I refer to it specifically under Community Mental Retardation.

So I ask more specifically, under Salaries, the difference between what is shown in these Estimates under Health and under Community Services and what was shown in last year's Estimates for the same item for last year is very little — it's about \$300 more under Salaries. Under Other Expenditures, it totals the same amount. Professional Training does not appear in the Health Estimates, but then last year it was shown at \$140,000, so there has to be an explanation there. But in Financial Assistance, under (4) and (5), the total of what is shown under Health and here in the left-hand column totals what was shown last year in Community Services.

I trust by that preamble, it is clear that I am concerned for an explanation of what appears to be a portion of responsibility being pulled away from this Minister and turned into the Health Ministry and I would like not only an explanation but a justification for that.

MR. MINAKER: Mr. Chairman, to ease the Honourable Member for St. Johns' mind, you will recall that the other evening, or at least when we opened the Estimates, there was a question by the Honourable Member for Seven Oaks to explain the reconciliation statement that indicated there was a transfer of functions to Health of \$403,200, on Page 22 of the Estimates.

What had happened, last year, with the splitting of the departments, which occurred in the late fall, there were some items that were missed and included under our department relating to mental health. As the honourable member realizes and remembers, that when the department was split, it was recognized that mental health was a disease and was considered to be a health situation; whereas mental retardation was a disability. If the honourable member recalls, I indicated that from the Community Services and Corrections Department to the Health Department, we transferred the professional training, Mental Health Directorate, some \$200,700, and the Mental Health Directorate was transferred over to Health, which included three SMYs, for \$42,500; the operating costs of that were \$15,000; and then the financial assistance to Sarah Riel Residence for half-a-year relating to mental health, and the Respite Care Portion relating to Mental Health, which totalled those three items to \$77,000; and then the agency, CMHA, which is the Canadian Mental Health Association, for \$58,000; and the YMHA portion relating to mental health programs of \$10,000.00. When we totalled those items, they came to \$202,500, giving us a total of \$403,200 that has now been transferred to the Department of Health. There are no funds being transferred because of other changes, that I am aware of.

MR. CHERNIACK: I wanted to know how the delivery of services is affected by this change, this transference of money, recognizing the transference of program. I understand, one is a disability and one is a mental health problem, but the description of the

two programs is almost identical, as I have already read into the record. How do we account for that? How do you know which does what to whom?

MR. MINAKER: Mr. Chairman, it's the same type of service, it's just a different type of client. One is post-mentally ill, and the other one is mentally retarded. It was simply, I have been advised, a simple error in print last year, that it should have been in the Health Department and it was not.

MR. CHERNIACK: Mr. Chairman, I can understand that feature. I want to know how is the treatment different for the persons living in the community, as between the delivery under Health and under Community Services?

MR. MINAKER: Mr. Chairman, if I understand the honourable member correctly, there is no difference.

MR. CHERNIACK: I don't want him to understand me; I want to be able to understand him. What do you mean, there is no difference? Why is it that two departments are delivering similar services with the bureaucratic need to deliver the same service to two different groups of people? Would you please justify any increased cost?

MR. MINAKER: Mr. Chairman, if I understand the honourable member correctly, I indicated earlier that mental health and the services in institutions related to mental health come under the responsibility of the Minister of Health. If it is part of the regional delivery system, it is handled by the Minister of Community Services, our department. There is no separation in that regard. However, the community residences and the Directorate of Mental Health fall under the Minister of Health.

MR. CHERNIACK: But the Minister says there is no difference in the nature of the service or treatment in dealing with the two types of patients.

MR. MINAKER: Mr. Chairman, we are dealing with this specific piece of the Estimates, there is in the other areas of services to mental health and mental retardation.

MR. CHERNIACK: I'm looking now at the Health Item 2 (b) called Community Mental Health Directorate, page 73, bottom of the page, and I'm looking at the item before us and the description of the work they do is the same except in this case the words "Divisional administration including" is added and I ask the Minister what is the difference between the type of service offered under 5 (a) and what is offered under 2 (b)? I could understand theoretically that there is a difference between a mentally ill person and a disabled person. That I understand intellectually, I don't know that I know there's a difference in the way they're being handled once they're out in the community, persons living in the community is what the two apply to. Therefore, I'm asking whether there isn't a duplication of supervision?

MR. MINAKER: No, Mr. Chairman, I've been advised that there has been for many years always been the Community Mental Health Directorate and

a Community Mental Retardation Directorate. There has been no duplication of services. It's just that we've now split off and put the Community Health Directorate under the Minister of Health which was where it was supposed to be.

MR. CHERNIACK: Does that mean that before this split took place between the two Ministries then you must be aware that I'm doubting the validity of having done that by my question, whether prior to that there was one supervisory group of people in the department then of Health and Community Services that looked after both of these aspects?

MR. DESJARDINS: The ADM but not the Directorate.

MR. MINAKER: No, there was always two separate Directorates.

MR. DESJARDINS: At the ADM level, yes.

MR. CHERNIACK: When the Estimates were put through last year, was there more than a typographical or, no that was not the word that was used, a computer combination of the two because last year when we passed the Estimates, we passed them all under Community Services and you say that it was a mistake in the Estimates but that there's no change in the department? The Minister also said that we transferred three SMYs from Community Services to Health. Was that on paper they were transferred or were there actual bodies that are suddenly reporting to a different Minister?

MR. MINAKER: Mr. Chairman, I believe, and we'd have to back to Hansard which I'll get our staff to check, but I believe that the fact that the Mental Health Directorate was under our department was mentioned and brought to the attention of the committee at that time, that it should have been included under the Department of Health. I'll check into that to verify that. There was no intention to have it under the Department of Community Services at that time.

MR. CHERNIACK: Could the Minister please inform me, can we visualize two houses theoretically side by side, one dealing under Health with persons living in the community and one dealing under Community Services with persons living in the community with the diagnosis being different, one is mentally ill and the other is disabled; how are they handled differently as between those two houses?

MR. MINAKER: Mr. Chairman, one would be funded by the Department of Health, the other one would be funded by the Department of Community Services. It could be if it was located in, we'll say, Virden, it could be serviced by the Department of Community Services in terms of counselling through either a Community Mental Health worker or Community Mental Retardation worker, in terms of counselling. If there was a separate worker for both, the mental health and mental retardate, then it would be two separate say, social workers. If it was one common one that was serving that area for both, then they would be served by one counsellor.

MR. CHERNIACK: Mr. Chairman, I don't care one wit where they're funded, under which department.

It's still the taxpayer that pays the money through either department, but the Minister says, "either it might be where there's a worker from Health looking after it or a worker from the Community Services looking after it," I'd like to know the difference and the nature of their service or program but then he said, "but if it's one worker that looks after both sides then that worker would look after both." Are there such people? Are there people that work under both departments?

MR. MINAKER: Mr. Chairman, in most regions, we have separate workers for both the Mental Health and Mental Retardation. What I was citing was an example where maybe that particular staff man year had not been filled because somebody had been transferred or retired, then I would presume that we don't leave those clients unattended just because we don't have a Mental Health or Mental Retarded worker, but I would maybe draw to the attention of the honourable member is the fact that the Community Mental Health Directorate just doesn't deal with community residences. It coordinates and relates to the rest of the whole mental health system which could be your hospitals or it could be your institutions at Selkirk or Brandon, which come under the Minister of Health.

In other words if it's a post-patient, they could end up out in a community residence. That's why we have that line of authority and coordination with the Department of Health where as we are responsible as the honourable member knows, for the Mental Retardation Institutions, and that's why we have that line of authority into the community living.

MR. CHERNIACK: Is there a difference in the program?

MR. MINAKER: I can't give the honourable member the full details but I would think that and I know there's difference in the program because there's different problems. It's basic decision, not by this Minister but by generally the medical profession and society that someone who is born with mental retardation is different than someone who has a mental collapse, mental health collapse and becomes mentally ill, so that there are different programs to provide services to these two different types of clients.

MR. CHERNIACK: Mr. Chairman, I would guess and I'm just guessing, that the person responsible directly for the care of either of these two types of people could do either job.

MR. MINAKER: Mr. Chairman, I don't pretend to be an expert in the field of Medicine but my informants indicate to me, no, that is not the case.

MR. CHAIRMAN: 5 (a)(1) — pass; 5 (a)(2) — pass; 5 (a)(3) — pass; 5(a)(4) — pass — the Member for St. Boniface.

MR. DESJARDINS: On looking at the new list that we have, I have a few questions. First of all in the last list that we had, requirement for 1978-79, there is notice here, "not open yet, Covenant Home, Winnipeg, 1978-79, but approved" and we have the same thing here again, there's a note, "not opened yet." Now what's holding that up?

MR. MINAKER: Mr. Chairman, I've been advised that the failure for Covenant Home to open up has been one of a zoning problem and my understanding is that they have now overcome that problem and they will be opening up in the not too distant future.

MR. DESJARDINS: But the house is there, it's not under construction. It's not like DASH. It's not the same program.

MR. MINAKER: Mr. Chairman, I understand that they bought one home and then they had to sell it again because they couldn't get rezoning, and as the honourable member knows there has been some amendments to the City of Winnipeg bylaw to overcome some of those problems.

MR. DESJARDINS: As the Minister knows, also there has been some amendments to a provincial act where you could act too, so if you want to — (Interjection)— You shouldn't have volunteered too much information.

Mr. Chairman, another question. In 1978-79 the projected per diem was \$15.90, and most of them are going up, some of them quite a bit, and here you still have \$15.90, now is that realistic? Are you asking for enough money here for Covenant? It's the same thing as they were asking as projected 1978-79, and everything has gone up. Are you under now or were you over then, or is it a change in the type of people that you have and the care needed?

MR. MINAKER: Mr. Chairman, as the honourable member knows they are not operational at the present time and this is an estimated budget and we will have to zero in on the actual budget and then at the end of year, as the honourable member knows, we correct usually the grant and accommodate those facilities and look after the costs.

MR. DESJARDINS: But nevertheless, Mr. Chairman, you try to be as factual as you can, and then you like you say it is an estimate, but I am comparing estimate with estimate, but for three or four years after with this inflation, — I don't expect you to have it to cent, but it seems to me that maybe they just took \$15.90 and put it there and it's not realistic, unless it was a way overestimated three years. It's not that important but you'll catch up.

MR. MINAKER: I think, Mr. Chairman, that with the experience the Honourable Member for St. Boniface had as a Minister that he recognizes that while we have four residences funded for this year and other ones coming onstream that usually there is a bit of a buffer in the total dollars available and we would accommodate and correct that particular figure.

MR. DESJARDINS: Could the Minister indicate the four new ones that we have? Are they on this list here? I would like to mark them, because I missed a couple of years. Are they not on this list?

MR. MINAKER: Mr. Chairman, they are not fully decided at this time.

MR. DESJARDINS: Mr. Chairman, I want to pursue the question of my honourable friend here. The Minister is putting in front of us a certain amount of

money for this. They have not been that they have the go-ahead, this will be done when this money is passed, but have they been approved by Cabinet? In other words, are you telling us, oh, we need the money, we are going ahead, or is it something that you want a bit of flexibility that you might decide or not decide? Is it going ahead now, is it approved, these four?

MR. MINAKER: Mr. Chairman, when the \$185,000 is approved for this particular function, if we can get five new community residences, we will put five in; if we can get four, we will put four in. What I am saying is that our objective is to get those residences onstream this year, and we have \$185,000 to do it. We haven't decided the location of those as yet.

MR. DESJARDINS: You are not asking for money that you might not spend and come back next year?

MR. MINAKER: No, that's not me, Mr. Chairman. I was going to say that in all likelihood they will be split, two in Winnipeg and two outside of Winnipeg, and if we can get five, we will locate the third one.

MR. DESJARDINS: There are two 48-beds now, including Covenant that is not opened, 8 there, but not counting the four or five new ones that you are getting. That's the list?

MR. MINAKER: Mr. Chairman, the Covenant's Home in Winnipeg, and the Flin Flon residence are not open at the present time, so that would be 15. I understand that Steinbach is now opened, so there's 15 out of the 248 that haven't, and this is where we were able to get funding for this apartment living that we came forward with, by using up these unexpended funds.

MR. DESJARDINS: In a quick calculation, it seems to be there's about 68, 70 beds, out of 248, not counting those new ones in Winnipeg. It seems out of kilter, the population is here and you have 68, and you have less problem in the city than in the area, I would think that living in the city is worse.

MR. MINAKER: Mr. Chairman, my first reaction to the honourable member's question is that in the guest homes, in terms of the number of people that are served in guest homes, they're much higher in numbers in the City of Winnipeg and I would think probably that is the main reason that a lot of our mentally retarded citizens are living actually in residences as in guest homes. I would have to get the information . . .

MR. DESJARDINS: If that is the case then you have a problem, because I think you really have to watch what is going on in the guest homes, because these people, as my friend mentioned, are not qualified to take care of these people. So you know, what kind of a life . . . I think that then you need to really enquire what's going on because they are certainly not getting the service where you have these type of people, four, or eight, or ten, and then you have the people that are qualified and it is monitored by the Department, it would be very very hard to find those and to determine which ones of the mentally retarded are in guest homes. It means that you're

licensing of the guest home will be quite difficult and I don't know how you are going to do it, because you would have to investigate everybody there to see if they are mentally retarded or not, and you have a big job ahead of you.

MR. MINAKER: We recognize exactly what the Member for St. Boniface is saying that's why it is not something that existed today but for the last 10-15 years and that's why we're happy that we were able to get through the regulations on guest homes. One of the things that will allow us to locate where the mentally retarded are located in guest homes is the majority of these particular citizens are on our social allowance roles, so we will be able to zero in on those particular ones.

MR. DESJARDINS: Mr. Chairman, when this is done, are you going to try to provide, as you go along, it won't be done from one day to the other, the right type of care for these people that are in guest homes. For instance, trying to have more community residences, group them together, and see that they have the care, because I can't see how they are going to get the service in the guest home. They'll exist, but it is not going to be a life, and it's very difficult, because the people in the guest homes — for instance, for one thing, the guest home people are all for profit, it's a business, which again brings a problem, and I would imagine that most of the community residences if not all are non-profit. Is that the case?

MR. MINAKER: Mr. Chairman, as the honourable member knows, the majority of those guest homes probably are run by families or citizens in the city or in the rural areas for a fee that they utilize. If they make a profit off it, I guess they make a profit off it. They are paid for the care that they provide. The majority of them are at the present time run by private people.

MR. DESJARDINS: That's right, Mr. Chairman, and if you're licensing these people, you say there are so many in there, you don't know how many, but you say that's probably the answer why there are more guest homes. In other words, they're people that have not been identified and I'm not saying that's easy, but are you going to be satisfied if they are going to be identified. Are you satisfied that they should stay there? That's my point with people that are not qualified to keep them. You have no control over them, you don't know every single one that is mentally retarded and some of them no doubt will be in guest homes, but when this is found out, if you must know, because you're saying that that's why there's such a big difference; are they going to be identified and will there be a method to treat them properly, the way they should?

MR. MINAKER: Mr. Chairman, as we know, one of the objectives of the department, I believe it was when the member was the Minister, was to get as many of our mentally retarded citizens out into the community-living type of atmosphere, rather than in institutions or in group homes, and even those individuals still receive some counselling from community mental retardation workers, and they have day activity centres that they can go to or, in

the case of some of these moderate ones, may be employed. We intend on licensing all these guest homes, and to make sure that they meet the regulations of basic care and basic health standards, and I believe that as this programs develops that the care will become better and better. At least it's a step in the right direction of improving situations and we've always, I think, been faced with moving citizens, whether they're mentally retarded or the aged, out of guest homes that are not proper facilities for them to stay in.

MR. DESJARDINS: Mr. Chairman, the Minister is missing my point completely. He's treating these people, if there are any of these people and I don't doubt that there must be some, that are mentally retarded and are presently in guest homes. He is treating them just like any ordinary people — (Interjection)— yes at this time, you have no idea where they are and are you looking at the people that own and operate these homes to see if they're qualified to give the same care to these people as these people in community residences are? That's the point I'm trying to make. Mr. Chairman, the Minister is saying that in our time and it's the same policy with this government, that you are trying to depopulate, if that's a word, the institution and bring it into the community but we, and I admitted that a few years ago, that we made a mistake and we weren't the only ones. Practically everybody around North America were doing the same thing, except that one big thing was missing, they weren't ready in the community. So you let people that definitely should have been and if nothing else should have been in an institution, you're just saying good-bye and you've lost track or you're going to lose track of them.

That's exactly the point and now, by the medical profession, the experts will tell you that this is a problem, that you have to have an educated community and then you have to have the service or you're just getting people that have nothing else, that belong in an institution and they're just alone in a place and they're vegetating, they're not living. You know, this might difficult, I'm not saying that this should be done in a day, I'm not asking a schedule from the Minister; I'm asking a policy, a declaration of policy and I'm not getting any.

MR. MINAKER: Well, Mr. Chairman, if the honourable member remembers, earlier in the review of the Estimates this afternoon, we indicated that we were instituting a different level of care allowance for mentally retarded citizens, and our objective is that if they are living in a guest home and they need a certain level of care, then it will be considered that that allowance will be paid for that particular individual, and we'll make sure that the care that they receive is up to the standards expected for that level of care payment.

It's quite obvious that the honourable member recognizes that the community residences are, in many ways, for retarded citizens that are say more profoundly retarded than those that might be living, more or less independently in guest homes, so that there would be a different level of cost for the care. But our objective is that to improve the situation that has existed there for the past 12, 15 years and to give a better care for all of our citizens, not only the

mentally retarded, and that's our basic objectives that we're going through.

MR. DESJARDINS: Mr. Chairman, I have no objection and no criticism of that at all, of trying to improve the guest home, but the Minister is the one that brought this topic on by his answer, and now I'll try to demonstrate to him that then the answer wasn't correct. The last statement of the Minister was this, that the Member for St. Boniface should know that most of the people that are in these community residences, need more care than those in the guest homes. But if you remember that what triggered all these questions is I asked the Minister how come there was only approximately 68 or so in Winnipeg, out of 248. Now we are dealing with a special group, following the last answer, that these need more care. So my question then, how come there's only 68 or 70 in Winnipeg that are in the level where they need more care than the country; therefore my question is unanswered.

A couple of easier questions I'm sure. I just started by looking at my old list of 1978-79, the per diem and I find one here who has the same number of beds, the same place, that actually the per diem went down. There must be some explanation. I'm thinking of 720-722 Ebby, with eight beds, that was \$1,761 in 1978-79 and now it's \$1,494.00. And that's the only one that I find, are you taking people that need less care or what?

MR. MINAKER: My understanding, Mr. Chairman, was in that particular instance, that there was a special time limited arrangements to pay off some of the capital debt which has not been completed. In other words, they had, I don't know whether it was a second mortgage or at least the payment has now been made and, as a result it has dropped down to the per diem rate. The level of service hasn't dropped off.

MR. DESJARDINS: It was an inflated thing to take care of the mortgage that was due in such a time to retire the debt.

MR. CHAIRMAN: 5.(a) . . .

MR. DESJARDINS: Whoa, whoa, just a minute, one more thing. Just a very short progressive report or report on D.A.S.H., because I know the trouble we had for that, and finally it's on stream and all the complaints and the people around there were so scared and they were opposing it I think. How is it going? Is everybody happy? Is it working well, because it was kind of a pilot project, it was an experiment. It was people that had two or three different handicaps, if I remember, they were very severely handicapped, so can we have a short report about what's going on.

MR. MINAKER: Mr. Chairman, it's my understanding there's no complaints from the community, there's no complaints from the operation, however, as the honourable member recognizes with the comparison of the per diem rates, that it is quite costly, but everything seems to be working.

MR. DESJARDINS: I think it's not the same type of people at all, they might be physically and mentally

handicapped, I think that was the case in most of them, mentally and physically handicapped. And that was one of the conditions, we knew that it would be costly.

MR. CHAIRMAN: 5.(a)(4) — pass; 5.(a)(5) — pass;
The Honourable Member for St. Boniface.

MR. DESJARDINS: Can the Minister give us the breakdown of these external agencies. I think we have it on our list, that's Canadian Association of Mentally Retarded, Steinbach, North Y.M.C.A. that's the one?

MR. MINAKER: Steinbach Development Centre, in Montcalm, Gordon Bell School . . .

MR. DESJARDINS: Where?

MR. MINAKER: Montcalm, Gordon Bell School, that's the training . . .

MR. DESJARDINS: The Winnipeg School Division.

MR. MINAKER: . . . right, Training Day Activity Centre, that's been moved over to Gordon Bell and the number served has been increased, and the International Year of the Disabled Persons, there's 90,000 . . .

MR. DESJARDINS: For an office and staff.

MR. MINAKER: Yes, well it's the grant now, that's \$90,000.00. The total grant, Mr. Chairman, was \$120,000, but the year goes from January to January, so \$30,000 was taken out of this present year's Estimates and \$90,000 . . .

MR. DESJARDIN: It wasn't budgeted for, you made up, far as I can see . . .

MR. MINAKER: We were able to because of the fact that those residences had not come on stream, we were able to get the \$30,000 there, also the one that the member drew to our attention that we will consider transferring over to the Minister of Fitness and Sport, the Manitoba Special Olympics, for \$9,000.00.

MR. DESJARDINS: Mr. Chairman, you didn't have anything last here that has been discontinued, in this?

MR. MINAKER: I don't think so, no.

MR. DESJARDINS: Mr. Chairman, the International Year of the Disabled Person, this is a one-year or one-time only grant, is it, at the start? I mean, it was to organize for this special year?

MR. MINAKER: Mr. Chairman, that is correct. In fact, it was very specifically indicated to the organization that it was funding for this year to help them and assist them in making the year a success and making our communities and citizens aware of our disabled citizens. In fact, the organizing committee agreed with us that any of the new programs that they initiate this year would not be ongoing and commit the government to new

expenditures next year without first coming to us to discuss anything with us.

MR. CHAIRMAN: 5.(a)(5) — pass; 5.(b)(1) — pass; 5.(b)(2) — the Member for Transcona, on (b)(2).

MR. PARASIUK: It makes no difference, I would like to ask on (1). There is a very significant increase there of \$2.25 million.

MR. MINAKER: Mr. Chairman, if I remember correctly, we now have 15 new positions. That is an ongoing program and I indicated earlier in my opening remarks that we would like to see an annual increase of staff at the Manitoba School at Portage. I don't know whether the honourable member has the staff man years comparative figures that were handed out, but on the second page, there are 15 new SMYs for the school. In addition, these salaries now for the coming year include the two-year agreement of the MGEA, whereas last year's did not, so that is where the significant change occurs, that we know what our increase of salaries will be for the coming year, so we have now included it in that figure.

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

MR. DESJARDINS: But, Mr. Chairman, I think I am right with the information that you have provided us, that I have in front of me, there is a big increase in the per diem at St. Amant also, which is close to a \$1 million, the per diem rate at St. Amant.

MR. MINAKER: Yes. Mr. Chairman, that comes under (3) if we are dealing with number (1). It will appear in External Agencies. I don't know whether the Honourable Member for Transcona was talking about the \$13 million figure or the \$23 million.

MR. PARASIUK: I am talking about both, actually, in that I was looking to get a comparison of the per diem costs in Portage la Prairie, in Pelican Lake and in St. Amant.

MR. MINAKER: I don't maybe have the figures here but I could give you the population of each one. If you want to multiply it by 365, then you can have the total that would come pretty close to it.

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

MR. DESJARDINS: Excuse me, Mr. Chairman, we have the figures for those, your per diem rate, but those that we haven't got the figures on are these that you are running yourself, like the Manitoba School at Portage la Prairie. You must have something on that, that's one of the important things, Pelican Lake.

MR. MINAKER: Which one do you want to deal with, (1), (2), or (3).

MR. CHAIRMAN: 5.(b)(1) — pass; 5.(b)(2) . . .

MR. MINAKER: Mr. Chairman, the only reason I asked was the per diem comparisons you are talking

about are in number (3). I don't know whether you want to deal with them now.

MR. PARASIUK: I don't mind, I can go to (3) and then we'll deal with them.

MR. MINAKER: I can give you the total number of SMYs.

MR. DESJARDINS: Just a minute, Mr. Chairman, just a question, it is not under (1), I would imagine; (b)(1) are those that the province runs themselves. Those are salaries, Portage and Ninette.

MR. MINAKER: No, that comes under External Agencies.

MR. DESJARDINS: Then External Agencies are those where people are running it and you are giving them a per diem rate, right?

MR. MINAKER: Mr. Chairman, what might help the Honourable Member for Transcona, we have the population as of December 31, 1980, is 828, as compared to 854 last year. So then your total budget, if you multiply that out, I think it runs about \$47.00 per diem, where St. Amant runs at approximately \$55.25 per diem.

MR. CHAIRMAN: The hour of 4:30 having arrived, Committee rise for Private Members' Hour.

SUPPLY — ENERGY AND MINES

CHAIRMAN, Mr. Abe Kovnats (Radisson): This Committee will come to order. I would direct the honourable members' attention to Page 54 of the Main Estimates, Department of Energy and Mines, Resolution 58, Clause 2. Energy, Item (a) Energy Management (1) Salaries — pass; (2) — pass — the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: We are used to the Minister not making much of a defence of his Estimates, but surely he could explain what this section is about and why he is asking for the funds.

MR. CHAIRMAN: The Honourable Minister.

HON. DONALD W. CRAIK (Riel): Just as the Estimates indicate there, it really consists of the activities pertaining to energy supply and demand, energy conservation, research and development into alternative energy sources, and energy conservation techniques.

It is the general area where most of the activity in the past of the former group under the Manitoba Energy Council, which existed prior to the formation of the department, were located. I think, as I indicated, there are 10 SMYs in this group. Most of their activity has dealt with development of policy positions and so on for representation before National Energy Board hearing meetings, with regard to the various decisions, Canadian decisions, not necessarily ones directly involving the Province of Manitoba but involving the establishment of national policy with regard to energy at that level. A great deal of the activity has been concentrated in the development of that work.

It also contained the economists and engineers who have acted as the backup personnel in the work that has gone into the various projects that are being pursued, that I alluded to in the opening remarks, whether it's the initiatives being undertaken by the government at this present time.

So that, in general, represents the principal activities of this particular section.

MR. BOSTROM: Thank you, Mr. Chairman. In looking at an answer to a question of the Honourable Member for Elmwood on Friday, February 22, 1980, in which he asked the government, and in particular the Minister of Urban Affairs, whether he has a specific plan for the development of urban transportation in Winnipeg and Manitoba, or whether he has particular interests in supporting the development of urban transportation in the province. The Minister of Urban Affairs replied at that time that the Manitoba Energy Council would be dealing with these matters and that matters under consideration by the Minister of Mines and Energy involved policies that will be developed in that area to assist in the problems for urban transit and many other energy uses.

I wonder if the Minister could expand on that at this time and tell us what, if anything, since February 22, 1980, his department has been doing in that area.

MR. CRAIK: Mr. Chairman, I might indicate that — I was looking for the backup information — there was a grant made about a month ago to the City of Winnipeg on a specific study on urban transit. The amount of it was \$150,000 to begin the studies. I will provide the member with a copy of the press announcement that went with it at the time, which will give him some further information on the intent of it.

MR. BOSTROM: Mr. Chairman, we are looking at salaries here for this section, of \$315,000.00. I would expect that there is some pretty high-priced help in that area and from what the Minister has told us so far, he doesn't seem to have given us much justification for that expenditure. I would like to know what program, if any, his department has in terms of energy management. Surely he can give us a better defence than that which he has given us so far.

MR. CRAIK: Mr. Chairman, I have indicated that there are 10 people involved in this department, in total, and their primary involvement has been in preparation of the economic studies and other studies that have gone into the representations made before the National Energy Board. A fair amount of time has been occupied in that itself.

The other energy studies that have been undertaken have dealt with, as has been indicated here, energy supply and demand. A lot of work has gone in, in the last year and is still going into the provision of research information on both supply and demand.

So most of the work in this area really does pertain to the supply, demand, energy policy matters with regard to the National Energy Board relative to the Manitoba picture, and also to the supply picture for Canada. With the number of activities that have gone on in energy in the country in the last year, it

has been a major undertaking just to keep up with what is going on at the national as well as the provincial level.

As I indicated the other day, this is also a relatively small department. There is a high degree of cross-fertilization of personnel and you will find that they are working with the people, also, that come under the Canada-Manitoba Energy Agreement, which is the \$18 million program over a five-year period. In setting up for the administration of this, you will find a cross-over of personnel in both of those undertakings as well.

The Conservation and Renewable Energy section, as well, comes into the picture and all of these three really work very closely together in all of the programs that are being mounted and have been under way for the last year and are accelerating in their activity over the next two or three years.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Chairman, I do want to explore under this item, what I consider to be a very significant decision relative to future energy policy in the Province of Manitoba and more particularly, Mr. Chairman, relative to future energy policy of this country.

I would ask the Minister, and I would almost assume without question, that he would be looking into it, whether the Government of Manitoba has looked into the implications of the recent decision of the Alberta Court of Appeal, which has in effect decided, Mr. Chairman, that the Federal Government could not place an excise tax on the export of natural gas — I believe it was natural gas — to places outside of Canada.

This decision, Mr. Chairman, can have tremendous implications, particularly because of the suggestion that court decisions now become enshrined so that they cannot be undone; and also particularly because there are suggested amendments to the entrenched Bill of Rights, or the entrenched Constitution, which would more confirm and underline provincial ownership of resources in such a way, which could make such decisions of the courts even less desirable from the point of view of national interest, than they are at the present time.

Now as I understand it, Mr. Chairman, and I have not read the actual decision but I have read the press reports on it, what the Alberta court has decided is that the Government of Canada cannot tax a resource that is owned by the province and since it was the province that owned the resource and was shipping it out of the province, that this was contrary to the Constitution, which says that the Federal Government shall not tax the provinces and, I think the provinces cannot tax the Federal Government. That appears, Mr. Chairman, to have been the gist of the decision.

Now, when that case goes to the Supreme Court of Canada, which I am certainly of the opinion it will, the Supreme Court of Canada can either confirm that decision or not confirm it, or overrule it. If it is overruled, then in my view, Mr. Chairman, an important matter in the national interest will have been overruled and there will not be great concern on my part with respect to that decision, and the Federal Government will continue to have the

authority to deal with the export of a natural resource in the way it has up until the present time.

If, however, this law becomes entrenched, then no matter what the Federal Government wants to do, if the court rules against that kind of interference, we will never be able to change it unless we get seven provinces, having 50 percent of the people, subject to veto power by the Province of Quebec and the Province of Ontario.

It seems to me that there are people who regard this as quite acceptable, which I find ridiculous. Mr. Chairman, and since the Prime Minister has decided to use the word coward, I say that there are cowards who don't want to face their electorate with important decisions facing this country and therefore say, well, let the courts decide it, and I will continue to be a parliamentarian and not have any authority to deal with these questions which are causing so much vexation and I will say that this is a matter for the courts.

So once the word coward is used with respect to this matter, let it be understood that in my view, this could be a very good mechanism for people who say, I don't want to argue the abortion question; let the courts do it, so I won't have to go to the right-to-life people and tell them I think they are wrong, or I won't have to go to the abortion-on-demand people and tell them that they are wrong; I will tell them that it is out of my hands; the same thing with pornography and the same thing with hate literature and the same thing with right-to-work.

Mr. Chairman, this particular decision has a particular significance, especially as it affects Manitobans, because the energy policy of Canada, which is something that this province pushed by the way, and I was there when it was being pushed, said that Canada produces two million barrels of oil a day. At that time that was the figure. A million is sold domestically; a million is exported. Coincidentally, we have to import a million barrels a day. Now, those were the figures at that time; I know they have changed adversely to us since then.

Therefore, by putting an export tax on what we sent out of the country, we were able to maintain a relatively equal price across Canada by using the export tax to subsidize the price of oil to what was being paid in Canada by all Canadians and for some time the export tax was used to subsidize oil that had to be purchased off-shore, and the price of oil in the country was kept lower, something that I heard when I was a New Democrat and what my New Democrat friends continue to say that that should be done.

Well, Mr. Chairman, the Province of Alberta and the Province of Saskatchewan always said that was illegal. They always said that the Federal Government had no right to tax the export of oil and to freeze prices, and the fiction that it was done by agreement, perpetuates to this day. Alberta has never conceded that it is legal; Alberta has always said that we made this arrangement without prejudice and we say legally the Federal Government has interfered with our ownership of the oil by taxing the export and by trying to set a price.

As a matter of fact, Mr. Chairman, Mr. Lougheed has never acknowledged that they have made money on oil. What they used to sell at \$2.75 and which they now sell at between \$15.00 and \$20.00, I would

think, he has said that has not increased our revenues on oil, on the contrary. Mr. Lougheed goes throughout the country saying that Alberta has donated billions of dollars to the people of Canada, to the other provinces, to the Province of Manitoba. While he is getting the increased price from us, from \$2.75 to \$15.00, he is telling us that he is Santa Claus, because he says that he should be getting world prices and since world prices are \$40.00 and he is getting half of that, he has calculated to the penny the amount that he says the people of Alberta have contributed in large, as to the people of the other provinces. The fact that we are in an economic stagnation situation, while Alberta has more money than they know what to do with, is beside the question, because he says that this is not something over which the national government has any concern.

Now, Mr. Chairman, the Alberta court decision which was decided sometime within the last two weeks, in effect, establishes a large part of the Alberta decision, although I think it was limited in its scope, to natural gas that was owned by the province, not natural gas that was owned by an oil company; but I want to deal with the implications of that in a moment because it's even more dramatic, Mr. Chairman.

Now, first of all, let's understand that this decision interferes and was fought against by the Federal Government on the basis that it interferes with the national government's responsibility for a national energy policy which will be fair to all Canadians. In my speech that I made to the legislative committee, and which I subsequently had pamphleteered, I said, Mr. Chairman, that the courts could decide that the federal energy is ultra vires constitutionally, and it could interfere with the National Energy Policy. Fortunately, we can still change that until the entrenched get to it and say that you can't change anything, you need an amendment of seven provinces, and you know the chances of getting that. But the entire energy policy, Mr. Chairman, of Canada is jeopardized: (1) by the type of decision that was made by the Alberta court, which could go to the Supreme Court, and even at the Supreme Court it would not constitute a terrible problem if we did not entrench those things in such a way that we cannot change our Constitution which we still can. I am of the agreement with the Federal Government that they can ask Westminster for something and Westminster will do it. But I never knew that they would ask Westminster to declare that Pierre Elliot Trudeau shall rule for all time, and Westminster will still do it. It was in my wildest dreams; I didn't know that a Prime Minister of Canada would be so audacious as to say that.

So up until the entrenchment, these court decisions which affect the national energy policy would be important; they would constitute big bargaining positions as was the court decision which said that the off-shore belonged to Canada. There was a court decision in British Columbia which said that the off-shore belonged to Canada. None of the provinces with off-shore will recognize that decision and they now negotiate as to what is going to happen with the off-shore. Newfoundland says the off-shore belongs to Newfoundland; Nova Scotia says the off-shore belongs to Nova Scotia; Saskatchewan, up until five years ago, used to say

that the off-shore belongs to Canada, and so did Manitoba; Saskatchewan for better reason than us, they had no off-shore so it belongs to Canada. Manitoba had what we called an inland lake. The reason we called it an inland is that a province has jurisdiction over inland lakes and we said that off-shore happens to belong to Manitoba, but our position was that if the entire off-shore is declared to belong to Canada we would agree with that and any off-shore that we have would also belong too, including Hudson's Bay. We took that position and I am proud to have taken that position; proud that the Province of Manitoba took that position because it's the sensible position, because when everybody starts grabbing what they can we will not have Canada as a country with equality of opportunity in social and economic development and that's where we are going with these changes, Mr. Chairman.

But, let's take the change one step further. I say that the recent decision has grave potential consequences for the future national energy policy of this country, and the amendments with regard to affirming ownership of the resources in the provinces, in a more underlying way than they are already acknowledged to be, will have still graver consequences for the future energy policy of this country and I regret, when the New Democratic Party leader in Ottawa, Mr. Broadbent, takes credit for having obtained a change which I say, Mr. Chairman, can undermine the national policy of this country in energy matters and in other matters; but there seems to be some pride in having made this change on the basis that it has helped the west. Certainly I do not believe it has helped the Province of Manitoba and it has already been acknowledged by everybody who talks about the Constitution, Trudeau, Clark, anybody else, that the provinces own the resources. But, do they own them in such a way that the courts can say that a national energy policy is undone? That's the second consequence, Mr. Chairman.

The first, I said the entrenchment will make it not changeable; secondly, that the new amendments will make it even worse. Thirdly, Mr. Chairman, and this is the most bizarre result, if the court decision is limited to the fact that the Federal Government cannot tax the property of a province, Mr. Chairman, the bizarre result will be that the oil companies in Canada will be in danger of nationalization, not from a New Democratic party government but from an Alberta Government. And if one considers that to be bizarre, I go back to how did the nationalization of B. C. Telephone take place. Do you know who did that, Mr. Chairman? It wasn't Barrett, it was W. A. C. Bennett. —(Interjection)— The hydro — yes, not the telephone, the telephone is still on strike. I thank the Member for St. Vital who corrects me. It wasn't the telephone system, it was the hydro system, and Bennett took public ownership of the hydro system in British Columbia. This was a Social Credit Government; an anti-leftist government. And why did they take public ownership of the hydro systems in British Columbia? Because Mr. Bennett said as long as you have a law that says that a public utility owned by the province is not taxed and if it's owned privately it is taxed, I cannot afford to run a public utility privately, and took public ownership of the B. C. Hydro system, and then it went through courts

with regard to compensation; but that is the fact, that B.C. Hydro was nationalized, if you like the word, or taken into public ownership, which is a much more accurate word, by the Social Credit complement of British Columbia on the basis that the Federal Government could not tax them.

Mr. Chairman, if the law is that you can tax them if they are private and you can't tax when they are public, then I suggest to you that Peter Lougheed will take public ownership of the oil companies in the Province of Alberta, a Conservative government. And we may find even a Conservative government in Manitoba taking public ownership of things in order to avoid taxation at the federal level.

Now, Mr. Chairman, this doesn't bother me a great deal. I happen to believe that there are things which we do which could be better run publicly than run privately, and I have asked this administration, now that the franchise that we have given the gas company expires, by natural expiration, not by any expropriation, not by any wrongful taking or compulsory taking, but it expires in 1983, is the Conservative administration looking at that and is this Minister looking at it, because we are now dealing with it — energy? Is the Minister going to look at the legislation and say, yes, they were given a franchise for 25 years. Right in the legislation it said that the franchise will expire in 1983; that at that time there will be a committee to negotiate to see whether the franchise is extended; that if the franchise is not extended then there will be an arbitration procedure set up to determine what the gas company should get for their existing works.

Now it seems to me, Mr. Chairman, that the Minister responsible for energy, under this item, should be telling us that he is examining, or getting ready to examine — and heaven knows we are close enough to the event, they have to give notice by 1982 — whether this franchise, this public utility which is not in competition with any other seller of gas, but is in competition with sellers of oil and hydro and I suppose wood is coming back, which has some nostalgia for me, Mr. Chairman, because my father was a wood dealer. I remember going from wood to coal, to stoker coal, to coke, and then to oil, and then to gas, and some of those things existed concurrently side by side, and now we're going back to wood, so it brings back fond memories of black poplar being sold at \$2 a cord, and white poplar at \$3 a cord, and tamarack at \$8 a cord, and birch at \$9 a cord. —(Interjection)— Pardon me — (Interjection)— Which one, because birch was \$10 a cord, now it's \$120.00. I suppose it's the same relation as the Coca-cola, 5 cents to 50 cents, not much change.

In any event, Mr. Chairman, the Minister has an obligation to examine the things that I am talking about because they are tied hand in hand with the events that are taking place in Ottawa, and these things can be taken out of the hands of the Minister and out of the hands of legislators. Obviously there was a conflict. The Federal Government felt that it had a right to an export tax, and I suppose the Minister might feel that we're lucky with that decision because now there is no export tax for sure on Hydro, and I have heard the First Minister talk about, keep your greedy paws off my Hydro.

The fact is, Mr. Chairman, that there is no comparison between hydro and oil. We are not

selling the hydro at some cartel price. The price of hydro is competitive throughout this country and will be competitive, and as a matter of fact we are selling it in bulk for less than we sell it at home, and some people have raised their eyebrows at that but I see nothing wrong with that because I would rather sell it in bulk and get the money to subsidize the Manitoba user than not sell it at all. So we are not costing the Manitoba users money when we sell it in bulk at a lower price, but we are selling at even below the cost of production in certain cases on the basis that to get nothing for it is worse than getting something for it. Now I am not sure of the last figures, but we're definitely not losing anything by what we sell. The revenues from the sale of Hydro were about \$90 million last year and around the \$100 million mark; that's where they are at. The Minister nods his head so I am not far off. But he should be concerned because he is selling hydro in the City of Winnipeg now and he is selling gas. The Manitoba Hydro sells to what is now the City of Winnipeg because it used to be the suburbs but it's now the City of Winnipeg. The Greater Winnipeg Gas Company is also selling an energy source there and it seems to me that there is a correlation between energy and how it's used and what can be done with it. In Saskatchewan the hydro supplier is also the natural gas supplier. The Saskatchewan Hydro Company supplies natural gas in that province.

Mr. Chairman, I want to ask the Minister about these two things: One, does the Minister see any implication of the Alberta decision, which I referred to, which may be going to the Supreme Court of Canada? Do we have an interest in that? Does it affect a national energy policy? If we do have an interest in it are we going to go in from the national point of view, or are we going to go in from the Alberta point of view? If we go in from the Alberta point of view, are we doing it to protect the fact that the Federal Government will not tax hydro power which I think is a shortsighted approach, because we are much more likely to be affected adversely if the Federal Government cannot institute a national energy policy.

Mr. Chairman, if the Federal Government could not institute legally a national energy policy by virtue of a court tying the hands of the legislators, we would be paying now the world price of oil, and the Federal Government would not be able to set an export tax on the balance on the basis that it's a provincial resource.

Now is the Minister involved; is he up to date; does he have representations to make with regard to that decision, which I say has, Mr. Chairman, ramifications which belie the imagination of any of us, and they particularly belie the imagination of any of us because if Mr. Trudeau gets his way, not only will they have the implications, but Canada as a nation will be powerless, in terms of its elected representatives, save the passing of an amending formula, which I think doesn't modify the word powerless, to change the decisions that the court makes with respect to this matter.

Secondly, Mr. Chairman, the Winnipeg Gas Company franchise expires in 1983. Now, I'm not here standing as a person who needs to say, let's take over the gas company. In 1983 the lease ends. When the lease ends, the landlord looks at his

position and decides, is he going to renew the lease? Is it wise to renew the lease? Are we better off not renewing the lease? Is energy such an important thing that now, we have to reassess whether it is better that we not deal with the lease? I believe, Mr. Chairman, those are important questions. They do it, with regard to my little lease on the Whiteshell, they send me a letter telling me that unless I do certain things, they won't renew the lease. So if you can do it to me, why not treat everybody equally.

Look at the Greater Winnipeg Gas Company and see whether it is in our interest to renew this lease, because certainly the Minister of Public Utilities has put it in your doorstep. He says, we have the Minister of Consumer Affairs, who has announced himself to be the Minister who is responsible for nothing, because he disclaims any responsibility for matters affecting the Public Utility Board; he disclaims any responsibility for the Greater Winnipeg Gas Company or what comes under it, so we're looking around for the responsible Minister. I suggest that the Minister of Energy must have an interest in it and he must know that the lease is expiring and I guess he has to assess that position and tell us, the people of the Province of Manitoba who are the landlord, what is his plan at the expiry of that lease?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, if I can deal with these two specific matters and perhaps one or two general matters raised by the Member for Inkster.

First of all the Alberta court case does of course, have some implications for Manitoba and the member has named one of them at least. I can't update him any further on what is going to happen because I read in the newspaper yesterday only, that the Federal Government is likely to appeal it to the Supreme Court for consideration there.

Well, Mr. Chairman, first of all I don't share the Member for Inkster's concern about the anomalies, if you can call them that, that are going to occur in our Canadian structure by the accumulation of wealth in one of the provinces now, as a result of the current energy picture. I would say that in arriving at this, the member has named one of the reasons why Manitoba has to have some concerns, and there is a difference here. That policy of the Federal Government is more important as far as Manitoba is concerned on its electrical exports, than it is in the case of oil.

In the case of oil, there is an opportunity to recover some of that added tax to the export product. That is not the case in electricity. The contracts do exist. In Manitoba's case they are primarily exchange type contracts and they are spot market type sales where the electricity is sold on a competitive basis with other utilities, primarily in the U.S.

So you take what you can get and you can't add to it in the way you can add to oil because when you're exporting oil, particularly the Alberta light crude oils, it can compete with world price oil. But already Saskatchewan is running into difficulties in exporting its heavy oil, because the addition of the tax has made it non-competitive in the U.S. and the Americans have refused to buy it, because they can buy alternative energy in that form elsewhere at a competitive price.

So the picture isn't absolutely identical. As a matter of fact, the policy of the Federal Government applying an export tax outside the country, would be more harmful to Manitoba's revenues on a relative basis, in electrical exports, than it is to the oil producing provinces particularly with the high grade light crude oils that are in demand in the markets in the U.S.

So from that point of view, Manitoba has a vulnerability in this. We protested prior to the Federal election about the fairly strong rumour, I guess you'd put it, nothing was ever said officially that the Federal Government was planning an export tax on electrical energy, but there were strong rumours coming out of Ottawa that it was under serious consideration and of course, we opposed it at that time.

Now, if you're going to talk about Renewables, that's one thing; if you're talking about the non-renewables, it's another. Can you justify being opposed to the actions of the energy producing provinces and then turn a blind eye to what you would do if they put a tax on nickel, copper, on zinc, cesium, lithium, all the products that happen to be very specific to Manitoba and one or two other provinces, primarily Ontario, are we going to turn a blind eye to that and say, well we supported the Federal Government in its right to tax energy; energy is no longer a problem now, metallic minerals are. They're in a world demand, the price has gone away up and the Federal Government sees an opportunity to move in on that one.

Well, what you've got is a moving target and if you look at it all, Mr. Chairman, then you are really watering down the opportunities for the provinces, who have been recognized to this point in time of being the custodians of the resource, the owners of the resource if you like, then in my estimation you are watering down the potential of Western Canada at the present time and I include Manitoba in that categorization — you are watering down their potential into the near future, perhaps not the long term future, but certainly in the near future, you're watering down the potential of Western Canada to now take advantage in a shift in the what's happening in the economy of Canada. It certainly has shifted west.

It hasn't shifted to Manitoba at this point in time to the same extent that it's gone to the provinces west of us. But is that some reason that you suddenly abandon a policy of supporting the idea of ownership of natural resources, and the position of supporting the regional concept of a strong and strengthening Western Canada because there happens to be an accumulation of wealth there? I say that if you take the entire fund that is now accumulated, the heritage fund, whatever level its at, some perhaps \$7 billion, that it has taken as many years at least to accumulate there, it would fund your Federal deficit for about as many months, seven months, something like that.

Now does that really create a national distortion by having that accumulation of wealth that's there? Like to have it, like to have it interest free, wish it was in Manitoba, but does that really solve the national problem by saying that all of that from here on in, should go to the Federal Government? I wouldn't think so.

We have this thing blown up now into a picture, a specter of this massive accumulation of wealth, with an accumulation that is primarily there because of the revenues from light crude, light crude peaked out in 1980 in the production, even without these arbitrary cutbacks that have been made in 1981 in the fight that's going on, the production of light crude peaked out in 1980 and is going to be on the decline for the foreseeable future.

That is already an established fact and that doesn't matter what the price of oil is in the world. You could double the price. It doesn't significantly change the long-term prospects for light crude oil production, some say the best crude oil in the world, if not at least the second best crude oil in the world, in terms of producing high grade energy products. You have to have three barrels of Mexican to replace two barrels of the type of crude oil that's being produced in Canada.

Mr. Chairman, I think that the arguments that are going on are extremely short-term arguments and you may solve a short-term political argument if you like, by supporting a national position that they must come in and be able to tax that resource more extensively in the national interest.

Well, what's to prevent you also saying that they should tax plywood, as British Columbia is making too much money out of plywood exports. They must tax fir timber, because British Columbia is making too much money out of fir timber. What's to then prevent an argument that they should be able to tax all of a sudden nickel, that has become a world shortage product, particularly sulphide nickels, base nickels, because they're less energy consuming than others, and the latter right deposits and all these others are no longer competitive and the emphasis goes back on nickel and there's a tremendous demand for nickel, therefore the Federal Government must get in and be able to tax nickel.

Well, if all of these arguments that are so specific now rate with regard to energy, overlook the fact that the Federal Government has specific taxing powers, they can tax in traditional, specific ways. They can apply excise taxes; they can do other forms of taxation. They can do indirect taxation. The provinces are restricted to direct taxation. The establishment of those principles has worked pretty well over the last 113 years. The fact that the Federal Government is running a deficit of \$15 billion a year, is not caused by the energy accumulation of energy wealth in one part of the country. It's just an accumulation of bad policies over the last few years that has caused that.

So it's a false argument to try and blame the energy producing provinces for a national economic crisis, a national economic problem. Even if they resolved that by taking all of the revenues off oil base products, it still wouldn't solve the national economic problem. But in the meantime, we do have under the present laws and the likelihood of producing more economic wealth in Manitoba, as the result of the accumulation of wealth that is taking place in Western Canada than we would have if that became national. I have no doubts about that whatsoever, Mr. Chairman.

Now the Member for Inkster raises a question too, takes exception (Interjection)— well we're still on this. But he takes exception with the fact that the

Leader of the New Democratic Party sold out to the pressures that he was under and agreed that resources should remain the right of the province. I'm not sure, Mr. Chairman. This government does not have any trouble with that argument, based for the same reasons that I've just been talking to you about here. We support the idea of the ownership of the resources, lying with the province.

The member makes a point that you could get a tremendous distortion, if all of a sudden the provinces decided to nationalize in oil industry rather than the Federal Government, therefore they would be exempt from taxes, he may know more details about what's intended in the Federal legislation. I don't think that Federal Crown corporations are necessarily exempted in the Constitution, and if the Federal Government wanted to establish a policy to be able to tax Crown corporations, that is of course an avenue that I'm not aware of, that is being ruled out under the new proposals that are being made for the Constitution.

What is being included is the recognition that the provinces own the resource, but I would assume that if the Potash Corporation of Saskatchewan became the richest corporation in Canada and was exempt on those grounds, I don't think as far as I'm concerned and as far as I know, that the Federal Government is prohibited by the Constitution, from taxing the Crown corporation. They have not done it to date; that has not been done to date; but there's no indication that what they're talking about is exempting a Crown corporation. What they're recognizing in the Constitution is the ownership of the resource.

Now the commercial body that produces that resource and sells it, is quite another matter. There has been no illusion to that being a body that would be exempt from Federal Government levies and taxes, and so on. None of us I don't think know enough specifically about what's in the Federal Constitution proposals in that regard.

The other matter that was raised, the Greater Winnipeg Gas Company, their renewal is 1983. Their member I think knows the legislation perhaps as well as I do, that it expires in 1983. There are provisions that are built into the Legislation for them to request renewal and establishment of a Board of Examination and Hearings and so on for it to occur, and I presume that that will likely happen. Whether or not there are fundamental changes to the Legislation, the existing Legislation being as near as 1983, the normal course would be for it to proceed to that date, I suppose, and whether or not there would be changes made in the Legislation remains to be seen. There certainly are not, at this point in time, any specifics that could be indicated in that regard.

With regard to the particular problem that exists at the present time, the Minister of Consumer Affairs, of course, is properly identified the fact that it does lie within the power of the Public Utilities Board and under the existing Legislation that's the way it is. Nothing can be done with regard to changing it short of a specific Act of the Legislature, as far as I'm aware, to solve the current problem of the difficulties between them in the current strike with that company.

So, Mr. Chairman, with those comments, I may have not covered all of the points but I covered the two major points that were raised.

MR. GREEN: Yes, Mr. Chairman, I'm not going to prolong the debate and I believe the Minister has made clear certain things. First of all, he believes the Federal Government shouldn't have the power to tax energy leaving the province and shouldn't have the power to have a national energy policy and he seems to suggest that the Federal Government is getting its hands on the Alberta wealth, to the extent that they've done it, for the purpose of dealing with their deficit. They have; they've paid more in subsidies to Canadians for the purpose of purchasing power in those areas where the western power doesn't reach and which you have to buy off-shore. They've paid more than they've received from the export tax, so it's not Federal expenditures that are causing the problem; it's a policy of this country, which I happen to think is a sound policy, that they're going to try their best to keep energy costs within reasonable limits and to have some equity throughout the country. And by the way there west has been from time to time the beneficiary of that policy and from time to time the loser.

The fact is that originally — and the Minister will correct me if I'm wrong but I'm fairly certain that I'm right — originally people in Ontario were required to buy Alberta oil at a higher price than they could get it off-shore. It was the law that they had to do it. So, the people in Ontario were required to pay more to Alberta than they could have got it elsewhere because it was in the national interest that they do so. And the real question is whether the Minister agrees that there is a national interest in energy which could be affected. Mr. Chairman, despite the Minister's protestations, he cannot believe that there shouldn't be, because I was through those negotiations. Mr. Chairman, if the minister believes what he says he believes we would now, in the Province of Manitoba, be paying not \$18 but \$40 for Alberta oil. The position of Alberta was not that we have anything other than world prices and that anything other than world prices was Alberta subsidizing the rest of the country; and not only would we be paying \$40 for Alberta oil, we would be paying that throughout this country; we would be paying \$5 gasoline in this country like they pay in Europe. And it's only, Mr. Chairman, because we have a National Energy Policy that the price has been kept down and it has proceeded on the fiction — and I say that it's been a fiction to save face for both sides - that it's not been done as a matter of Legislation but it's been done as a matter of agreement and Mr. Lougheed has permitted it to happen rather than say that it is legal.

When the Minister says that the resources belong to the provinces and he has no quarrel with that, I have no quarrel with that either, Mr. Chairman. I hope the Minister didn't get the impression that I had a quarrel with that. I said I wouldn't entrench it in the Constitution, because once I entrench it in the Constitution I don't know what it means anymore, and I have no power to change it anymore; and what Mr. Broadbent has done, by getting this entrenched, is to take it out of the hands of the Minister, his backbenchers, people seeking power, and the Members of the House of Commons, and to what could be the ultimate detriment of the country. Now, Mr. Chairman, let's make it quite clear that the Minister can't believe, or at least he cannot and

would not argue, for the implementation of what he is saying, because if we implemented what he was saying Alberta would sell its oil for whatever it wanted to and the Federal Government would not be able to charge an excise tax and would not therefore be able to subsidize eastern oil. The price of oil in this country would be over \$40 a barrel and there would be no subsidy for the others and we would be paying \$5; and the inflation that we've had in the past three years would look like child's play as compared to what we would have had because there's no greater single factor in the inflation that we've had than the prices we're paying for oil. And, it should be obvious, we all use it in one form or another and the price was \$2.75 in 1973 and it's now between 15 and 20? The Minister nods; between 15 and 20. Pardon me, \$17.75, what other commodity has gone up eight times, let's not exaggerate, seven times; and that is a commodity that is used in various ways throughout. The Minister says, "If you don't take that short term argument you're going to effect our nickel prices when the time comes".

Well, Mr. Chairman, if nickel was completely non-competitive; if it was a life-giving commodity that people could not live without it; and Manitoba had it and nobody else had it in Canada, I would say that you would have to deal with the price of nickel; that there would have to be a national policy with regard to the price of nickel. I would not fault the national government for having a policy with regard to the price of nickel; but that's not what we're dealing with, Mr. Chairman. We're not dealing with the commodity which, first of all, the commodity is a commodity which is a necessity of life for everybody in the country.

Secondly, it's a commodity where there is virtually no competition. We have a group of people who control the world's oil supply and they sit down around the table and they say we're getting \$30 today, we want \$35, and who can say us, nay? Nobody. If they were sitting around a table in Ottawa and were Canadians, somebody found out it, they had a bug in the room; they'd all go to jail. That's what we would do, we would put them all in jail. It is a criminal conspiracy to do what these people are doing. What has happened is that somebody wants to latch onto the price. Now, it has become so recognize that we just won't permit that; that it's not in the national interest to do so, that even Alberta and Saskatchewan have conceded that they cannot grab this price. The Premier of Saskatchewan has gone somewhat further, and I believe makes more sense, that has nothing to do with his political affiliation, it just happens to make more sense. He said, "Okay, let's increase the price and if necessary to the world price" and I've heard Mr. Blakeney say the world price, by the way, so I don't want to take him off the hook, but he has said that anything between what we are getting and the world price, which cannot be related to the cost of production, put it into a fund and create a self-sufficiency for energy that the Minister is talking about. That makes sense but that's not what's happening at all. We have no idea that the money is going to create self-sufficiency for energy. We know that it can be used for any purposes, both by the governments that are getting the taxation for it and by the private oil companies that may be investing it in something entirely different than energy.

So, I tell the Minister that he can't compare it with hydro and he can't compare it with nickel. If the Federal Government tried to tax hydro he will have with me a defender. I will become the Minister's ally, without embarrassment as to his politics, and you have seen it. You know some of my former colleagues, they tried to make fun of the fact that I will support the First Minister's view on entrenchment, on entrenchment only; and I will be against Mr. Broadbent's view, on entrenchment; and I am his ally because I believe that his view on entrenchment is correct — accidentally he happens to be a Conservative as well — but he happens to have the right view in my opinion on entrenchment, and it is no embarrassment to me when the New Democrats say, "Well, look you're feeding soft questions to the First Minister". I hear them feed so many soft questions, Mr. Chairman, that it really doesn't embarrass me what they say is soft questions being fed.

So, the position vis-a-vis an energy policy throughout this country, I assure the Minister of Energy that if he's concerned with an energy policy better give the national government the power to make it. To give the national government the power to make it; it has to have political support for it and it has to be reasonable. But do not, and you have not thus far, when you say you agree with Broadbent's proposition I don't disagree with the thought, I disagree with the entrenchment, because I don't know what the thought is going to lead to and you don't know. You do not know what the Courts can do to take a certain proposition; say it is the law and what is the implication of that? And, if the implication of Mr. Broadbent's proposition is that we cannot have a Canadian energy policy; that what we have done up until now, by agreement between Ottawa and Alberta, will become illegal, the agreement will never be illegal, but that Alberta can ignore it and there will be no National Energy Policy and that, instead of being at \$17.75 we are \$40 and that there is no export tax, all of which have done us good, then I'm against it. That's the danger Mr. Chairman, that I refer to when I talk to entrenchment.

With regard to the Gas Company, I'll just be a couple of minutes, Mr. Chairman, I'm disappointed. The Minister knows what is coming. I'm disappointed that the Minister has not formulated or is not telling me that he will formulate a strategy with regard to the Greater Winnipeg Gas Company because there are options available to the people of this province and I think that the Minister should be sitting down and exploring every option in advance of those negotiations. The Legislation says that if the lease is not renewed, it implies that the lease may not be renewed, that it will then go to arbitration as to how much they are entitled to and the authority will be put into a Committee belonging to the municipalities. It becomes irrelevant at this stage because those municipalities don't exist; even the committee is going to have to be changed and the ownership is going to have to be changed. I believe that the Minister should be preparing himself well in advance, now, yesterday, for what should be done with that particular public utility when the lease expired.

MR. CRAIK: Mr. Chairman, before we leave the question of the National Energy Policy and where

Manitoba fits into it. I have to point out that there is, I find, a pretty fundamental inconsistency in the Member for Inkster's argument on two points.

One is he rationalizes the Federal tax because it is being used to pay for imports on the other end. Well, Mr. Chairman, the inconsistency is that the member was in Government for eight years and I don't recall them applying a tax that they earmarked for a certain purpose. They didn't apply a gasoline tax to pay for highways, even though the highways budget exceeded the amount of money coming in from the gasoline tax, and it's about as close a parallel case as you can get. The Federal Energy Policy really is not an energy policy, it's a taxation policy. The money goes into the fund, and if the fund is not adequate the Federal Government tops it up. It simply goes into their Consolidated Revenue picture. They can say that the fund is in surplus or it's in deficit, they can say anything else, but the fact of the matter is that it's an academic point. So the application of the tax by the Federal Government is really a tax. It's a tax, the revenues from which go into a Consolidated Revenue. If there's a shortfall it doesn't mean that the consumers in eastern Canada will pay more; it simply means that it'll be made up by the Federal Government. If there's a surplus, the Federal Government takes it, which they did for a long time. When they applied the 10-cent per gallon gasoline tax they built a surplus, and that's only three years ago. Then they reduced it to 7 cents a gallon because they were building up too much surplus and, incidentally, were getting some pressure from the provinces, including Manitoba, of the fact that they had a 10-cent gallon tax on gasoline and were building up this surplus and it was not being used for the purpose for which it was intended. So they did in fact reduce it to 7 cents. — (Interjection)— No, this was on consumer's tax, gas pump tax.

Then they came back and applied the well-head tax, which is a very unjust way of taxing because it means that home heating fuel is taxed in the same way that the gas pump is taxed, so they don't really establish an energy program in that regard. As a result of that approach they haven't said transportation is less important, or more important, than home heating oil and I agree that if nickel was something like energy and bread and these other matters, you would have to establish a policy that made sure there was supply. But with the National Energy Program as it stands, they haven't said that. They simply applied an across-the-board tax at the wellhead price that taxes natural gas, that taxes crude oil and crude oil prices, as a result, the increased price is passed on to home heating oil as much as to transportation and as much to aviation fuel and all the other products that come off of it. They have set no priorities; they have set no program down that says that this mode is more important than that mode, that the homeowner on oil is going to have to be protected more than the person who is doing joy riding, motorboat riding or whatever it might be, no policy was really established. It is a taxation policy; it's not an energy policy. There is no dedication of funds specifically to the equalization program. It simply goes into the pot. So it's a taxation policy; it was a tax grab, that's what it was.

If we would have done it, the people across the way would have identified that in a minute, but now

they are defending this policy on a Federal basis. If we would have applied a tax like that across-the-board, it would have been identified for what it was, a tax grab, Mr. Chairman.

The other point I noticed that was made. I think their statement was made that we would be at world price now. —(Interjection)— We aren't, even without this last move of the Federal Government, we didn't get to world price simply because there was a rationalization between Alberta and Ottawa and an agreement on how fast things would move. I don't recall Alberta insisting on world price. All the time I have been involved I have never heard them say other than 75 percent of the Chicago price. — (Interjection)— Well, you still hear it, you still hear those assertions or the comparisons made to world price but the only one I have heard is that they thought the target by step should reach 75 percent of Chicago price.

We don't support a price. We do support the idea, though, of looking after supply and this is what the Federal government has not addressed itself to in the National Energy Program. The supply side has not been addressed with the same degree of ferociousness as the taxation side has been approached and it still remains to be seen what the Federal government is going to do to ensure the supply side on energy because it is an essential commodity, it is not nickel, in that regard. It is an essential commodity, particularly in our climate, and we know that and we are vulnerable. As long as oil is some 20 percent or so short on the supply side, not even a major world problem could create a problem in Canada in terms of allocation.

A final point, Mr. Chairman, I think to repeat, that we are more vulnerable on the taxation of electrical energy sales than the oil-producing provinces are on the taxation of oil exports. I think, from that point of view, the policy being adopted by the member is, in fact, wrong and one that does not apply. There is a rationale on a non-renewable resource for the revenues to go back to the owner, which in that case is the provinces, whether it is nickel or whether it is oil or something else; it is a non-renewable resource. It is like spending the money out of the bank. That is not an argument and if you were sitting in the position of having to defend an argument for non-taxation of export of electrical energy or, better still, the easier argument would be that if the Federal government has the right to tax a non-renewable resource, why should it not have the right, even with greater conviction and greater reason, for taxing a renewable resource that was being exported because, after all, it is there forever, it goes on forever; whereas a non-renewable, which is regarded now and apparently is going to be regarded in the new Constitution as being under the ownership of the provinces, the province could say simply it's non-renewable, it's depleting, here it is now, this is the level, in 10 years it's going to be down here, it's going to be depleted. Why are you going to take it away from us? It's no different than the money we have in the bank. You can't say that about renewables because it is there over and over and over again and you can't mount that argument.

So you are leaving yourself completely vulnerable by supporting a policy of the Federal government having unlimited taxation powers on the non-renewable resources.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, I am going to make my case as simple as I can. If Manitoba was exporting hydro-electric energy, which they produced, at \$17.75 a barrel when expressed in oil, if they were exporting that hydro-electric energy at \$40.00 a barrel when converted to hydro-electric energy, I would anticipate that the Federal government would tax that revenue; I would expect that, as a Canadian.

Now, let's look at what happens, Mr. Chairman, right now, and this policy of this government is not defending Manitobans because what we are talking about when we get down to this point, is we are talking to what happens to the \$22.00 which Alberta is getting at the moment. They are selling domestic oil, according to the Minister just a minute ago, at \$17.75 a barrel in Canada and making money, Mr. Chairman. They are exporting the same oil at \$40.00 a barrel, making \$22.00 additional profit on one barrel of oil — on one barrel of oil.

Now, what happens to that \$22.00? It goes, by and large, because it's profit — we're not talking about the additional revenue to the Province of Ontario (sic), we're talking about the additional \$22.00 profit. It goes to the multinational corporations which, I admit, pay corporate tax, but the capital is exported, by and large, because they are sending their oil rigs north and here and there and everywhere else.

So what we are talking about is that \$22.00 and surely to heavens, Mr. Chairman, we are Canadians also, not just parochial Manitobans. Let me go back to electricity. If we are exporting it, then the final line and the price at which we can export it includes the laid-down price to where we deliver it and the people who will sign the eventual contract for that price, it will include a tax if they are selling it at the level that I suggested, if they could take \$17.75 oil and convert it to hydro-electric energy and export it at \$40.00 a barrel electrical energy.

So the position of this government, in supporting Alberta's position in this, is absolutely ludicrous, and to use the red herring, they are going to tax hydro-electric energy. Let me just hypothesize for a moment. With the milieu which is existing in the United States vis-a-vis atomic energy power where there is an absolute freeze on construction of more atomic energy plants, couple that with the ever-increasing evidence that acid rain from the conversion of coal, as a fossil fuel, into hydro-electric energy is increasing and the cost of production is increasing, it is conceivable, as we further develop the Nelson River and bring on the existing plant, that we will be in a position to export this hydro-electric energy at not only \$40, but \$50, \$60, \$70, \$100 — give me a bid. That's the position that Manitoba will be in in the future vis-a-vis hydro-electric energy. What I am looking at, Mr. Chairman, is that \$22 rate at the moment and asking the government, what are they doing for Manitobans and the rest of the Canadians by adopting the position which they have vis-a-vis . . .

MR. CHAIRMAN: Order please. The hour is 4:30. I am interrupting the proceedings for Private Members' Hour and will return into committee at 8 o'clock this evening.

IN SESSION PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. On Thursdays the first item of business is Public Bills.

Bill No. 5, standing in the name of the Honourable Member for Minnedosa. (Stand)

Bill No. 14, An Act to amend The Medical Act, standing in the name of the Honourable Member for Rhineland. (Stand)

Bill No. 17. The Honourable Member for Logan.

MR. WALDING: Mr. Speaker, in the absence of the Honourable Member for Logan, I would ask that this matter stand.

MR. SPEAKER: Is that agreed? (Agreed) The same with Bill No. 19?

MR. WALDING: Yes, Mr. Speaker.

MR. SPEAKER: Bill No. 23, standing in the name of the Honourable Member for Gladstone; as 24 and 28? (Stand)

Bills No. 30 and 37. (Stand)

MR. SPEAKER: And 31? (Stand) And 33? (Stand)

We will proceed then to Resolutions. Resolution No. 5. The Honourable Member for Ste. Rose has three minutes.

RESOLUTION NO. 5 ASSISTANCE TO NATIVE PEOPLE, WINNIPEG'S CORE AREA

MR. A.R. (Pete) ADAM: Thank you, Mr. Speaker. I have only a short three minutes to complete my remarks.

In my previous comments, I stated that really the gut issue in regard to problems raised in the resolution presented by the Member for St. Matthews was the fact that status Natives did not have access to land. I believe this to be the major concern in the problems that arise with our Native population. This, Mr. Speaker, is documented in recent letters mailed to Mr. Summers from the Western Region Tribal Council, and also a letter written to the Minister responsible for Natural Resources from the Four Nations Confederacy, in which they state in those letters that it's very difficult for Native people to have access to Crown land. Copies of these letters substantiate what I have been saying in my comments previously, that it is extremely difficult for Native people.

I will just maybe read one of the last paragraphs in the letter to Mr. Summers: "Our member band's membership have experienced in the past that whenever they have applied for rental of Crown land that is available in proximity to reserves it seems that the successful applicant is always a person that is a non-status Indian who is not living in that vicinity".

That just gives you an indication of the feeling of the Native population in regard to this very important economic benefit, if you will, and that is the access to land.

The second comment I would make before closing my remarks is that it seems to me that the resolution disagrees with previously announced government

policy. In 1978, Mr. Speaker, the Throne Speech that was read by the Lieutenant-Governor here, and it is as follows: "My Ministers are working towards an agreement with the Federal government for cost participation by that government in the provision of social services to Treaty Indians off the reserves" and I emphasize the word participation, because this would indicate that in 1978 the government wanted to negotiate with the Federal Government in regard to those Natives who had left the reserves, who are now living in the cities. The impression I get from those remarks in the Throne Speech is that at that time the government was willing to have some input in their costs as well as the Federal Government.

The resolution that we have before us would seem to indicate that no, we don't want to have any part of anything, it's entirely up to the province. Otherwise, Mr. Speaker, in closing — I see that you're going to call me to order — in closing I would say that we will support the amendment.

MR. SPEAKER: The honourable member's time has expired.

The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): Thank you, Mr. Speaker, I have a few comments I'd like to put on the record with respect to this resolution.

There has been a very interesting and lively debate on this resolution so far which has served its purpose well and that it once more helps to clarify in the minds of the members of the House, some of the problems and fundamental issues which affect Native people in all parts of Manitoba and actually other parts of the country, as well.

Now the original resolution as moved by the Member for St. Matthews, calls upon the Federal Government to assist Native people in the development of marketable skills, the lack of which is often a major handicap to those who desire voluntary integration into the mainstream of society. As I recall the initial presentation by the Member for St. Matthews, he also made reference to forecast made by the Federal Minister of Immigration and Employment, who has repeatedly announced that there will be a great shortage of skilled workers in Western Canada during the next decade, and I believe he indicated that during the 1980s there will be some 600,000 new jobs in Western Canada.

These jobs in the private sector, I assume, will be permanent and productive jobs, which are the result of self-sustaining economic opportunities which are expected to open up as a result of development in the field of energy, forestry, and the like.

Mr. Speaker, I trust that these are the type of economic opportunities which the Member for Rupertsland was talking about in his contribution to this resolution. I hope he is talking about self-sustaining lasting jobs; jobs which create goods and services that some consumer is willing to buy, because they fill a need or desire for which he or she is willing to pay hard cold cash.

If this is the type of economic development opportunity the Member for Rupertsland is talking about, then I can tell him that the present government is doing just that wherever it is possible to do, and I'll give him a particularly good example of how it applies to Northern Manitoba.

Mr. Speaker, after the horrendous make-work mess which the previous administration created in

Northern Manitoba had been cleaned up and after the rubble and debris left behind by give-away programs had been properly disposed of, there remained very few programs whose objectives and operations were found to be sound. One of the programs which we found was indeed creating the kind of economic development opportunities that anybody can support, is the one carried out by the Communities Economic Development Fund.

Now there's been considerable criticism from the members opposite with respect to CEDF's activities. They say that it should be expanded farther, and they've also said that CEDF hasn't been doing enough, but what are the facts? Unfortunately the Member for Brandon East is not here, as he had made some comments in the Standing Committee about the operation of the CEDF in the last three years.

But the facts are that under the stewardship of this government, the CEDF fund has indeed made a greater number of loans and has created more jobs than under the stewardship of my friends opposite. The facts are that in the last three full fiscal periods for which we have been responsible for the Communities Economic Development Fund, has made 90 loans, compared to 73 loans in the last three years under the previous administration. That is 23.3 percent more loans in numerical terms than under the NDP Government.

However, if you take into consideration only their last three full years, ending in March 31st, 1977, then the number of loans they made was only 69 against 90 under this administration, which means that we have 30.4 percent more loans over a compared period of time. The Lending Program I would like the members opposite to note, has doubled in the first full three years of our stewardship over the comparable period under their government.

In dollars amounts the Lending Program has increased to \$3.6 million, from \$1.8 million over the respective three-year periods under consideration, and the size of the average loan has increased under our administration to \$40,000 from \$26,000 under their administration. This is an increase of 53.6 percent. I know that the Member for Brandon East used to be a statistician for the Dominion Bureau of Statistics and he likes to use figures every way he can, and I'm sure that he'll be interested in learning about these figures.

Now he will also love to hear that the number of jobs created was increased under the present Lending Program to 351 jobs from 277, when they held the reins of power, and I'm again using the three year periods. That is an increase of 26.7 percent.

Now as mentioned earlier this year, we revised the guidelines in the Communities Economic Development Fund and we would be pleased to expand CEDF to loans on Indian Reservations, provided we could receive the necessary guarantees from the Federal Government. Now the members opposite say that this is a poor excuse, that we could get the necessary collateral or agreements from the Department of Indian Affairs, or the Indian Reservations. However, this is a long drawn out affair; it would be a costly affair and we feel that it would be much simpler if we could get the necessary guarantees from the Federal people, so that we

could make the necessary loans to those Indians that would require and want to develop some of their own economic development right on the reservations.

Mr. Speaker, I'd also like to draw attention to the House, of an independent study which was carried out recently by a graduate student at the Natural Resources Institute at the University of Manitoba. Copies of that study are publicly available through the institute. The main findings of the study support the position that CEDF has and is successfully carrying out its mandate as delineated by legislation.

Mr. Speaker, that is a compliment, because it means that the funds program is operated along guidelines set down by the Legislature, in contrast to what the Auditor General has to say about the Department of Indian Affairs and Northern Development, namely that they don't know what their mandate really is.

Mr. Speaker, I felt it was important that because of the criticism members opposite placed on the government with respect to the handling of CEDF, that this information should be placed on the record. I believe that it's important that we, and I mean the province and the Federal Government, do as much as possible to improve conditions on reserves and Northern communities, to discourage people from coming to the cities and especially the City of Winnipeg.

In closing, Mr. Speaker, I would just like to say that we do have the problem in the city; we do have a large number of Indian people and Native people that need help and certainly I would encourage the Federal Government to do more with respect to the welfare of these people in our city. Thank you.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'm rather pleased that you did not call the Minister for Municipal Affairs to order on his discussion, because I too want to range a little more widely than the particular terms in this resolution before us, which really deals with the problem of the adjustment of Native people, to cope with the transition from life on rural reserves to life in the urban environment.

The Minister spoke about the efforts of this — the meagre efforts, that's my word — of this government in Northern areas, in connection with the CEDF and that may be all to the good. I really don't know what he meant when he used the phrase these people, I think he was talking about people on the reserve, and the resolution deals with people who are off the reserve. But, nevertheless, he tried to picture for us the program of the Conservative Government in the north and its successes, as he describes them. I'm not really interested in discussing that at this time.

I really want to discuss the way this Provincial Government has left the urban community of Winnipeg to its inadequate resources, and that was touched on today by my Leader and I want to elaborate on that, Mr. Speaker, because as between the Minister for Urban Affairs and the Minister of Education, they have seen to it that they have passed back to the people who are elected at the municipal and school board level, a problem which they the Government of Manitoba were not prepared to cope with and a problem, which because of the inadequate taxing powers of these bodies, they are unable to cope with.

Mr. Speaker, now we find the resolution sponsored as it is by the Member for St. Matthews, and I have to assume that it was with the approval and maybe even the urging of the Government of Manitoba, that he is saying let's go to the Feds, let's attack the Feds and blame the Feds, because they are placing an intolerable burden on the people of Winnipeg and therefore, we must blame Ottawa. So we find in the same day today, we have a debate going on at present on a resolution saying, the people in Ottawa, the Federal Government are not attending to their constitutional responsibility — I think was the term, yes, and used by the Member for St. Matthews — and we have on the same day the Minister for Urban Affairs and the Minister of Education saying, it's not our responsibility that there is a harsh strain put on the people of Winnipeg at the municipal level, because their elected people didn't do their job. They are the ones who are spending too much money.

Mr. Speaker, this is a pretty wishy washy approach of a government which claimed that it would be responsible — good managers, they said they would be, Mr. Speaker, good managers — they've managed very well to fail to provide a proper tax base at the level of municipal and school board finances. They have failed to really assist the growth and development of the city people, both in education and in municipal needs, and now they are crying that they need the help of the Federal Government.

Mr. Speaker, the Member for Ste. Rose has already said, as has I believe at least one other member of our group, that we will support this motion only because the Conservatives didn't have the courage to recognize the truth in the amendment which they have already voted down. Now I think they need to say what they're saying, because I think that unless the Federal people take hold and do something, the people involved in this resolution will continue to suffer because the Government of Manitoba will not accept its responsibility, and that is what I rise to criticize.

We heard the Minister of Education today and was it yesterday, when he stood up and said, why they don't do their homework across the way. Mr. Speaker, I quoted figures given to me by the Transcona School Division, which I'm sure the Minister of Education received, and he said, why, they didn't do their homework. The information they gave is wrong. He said that when he knew full well that the statement I made was correct for last year, not this year and when, Mr. Speaker, I rose and I said to the Minister not once, I'm sure twice, would he please, having possession of all the information that's needed, reconcile how it is that the school division of Transcona was stating that they were the lowest per pupil cost and he was saying they are fifth, they're sixth, I asked him to explain it and he didn't have the courtesy to tell us what he knew, and that, Mr. Speaker, is no fault of his. That was his smart aleck way of responding. He knew very well that I was dealing with 1980, and he was dealing with 1981. I didn't know that. He didn't even tell us that. Mr. Speaker, that's the cute part of failing to measure up to your responsibility.

He could have dealt with a question by stating that the figures that were being quoted by the Transcona

School Division were the 1980 figures, which he probably knows and knew were the only figures available to them at the time, but he having the up-to-date figures could outsmart them by saying, oh, no, they're fifth or sixth.

The important point to be made in relation to this resolution, Mr. Speaker, is that by his cute response he did in no way — in no way — relieve the intolerable strain on the fiscal resources of the people of Winnipeg. He didn't do that one way at all by his answer. What he did was make it appear that the people of the Transcona School Division were giving false figures, because I made it clear I was quoting them. He made it appear to me that the figures I was using were incorrect. He made it appear that one cannot trust a delegation from Transcona to come to visit the various caucuses and give information because he said, why, that's not correct. If the member did his homework, why then he would know the truth. The truth came about, Mr. Speaker, that between 1980 and 1981 there was a change.

Mr. Speaker, these people affected on the east side of the river, the Transcona school division, are the people that are paying the taxes which the Member for St. Matthews is crying about in this resolution we are discussing.

The Minister for Education thinks he can just glibly by fidling around between two years and statistics based on those two years, to get out of the responsibility of having brought in a program which was damaging to the people of apparently every suburban school division in Winnipeg. He brought in a program, and I don't fault him for trying to make a change from a program that we had brought in 10 years ago which I think is justified even more so by the figures we see in today's newspaper in our efforts to create some kind of equity or balance, but which needed updating, which needed revision, but the revision that they brought in was a cancellation of a formula and an introduction of some additional moneys into the budget, but the fact is they are suffering. They are not better off, they are worse off and that's the difference, Mr. Speaker.

So the Minister of Education may gleefully say, you didn't do your homework, but the fact is he is not assisting in one way to help those people who, as the Member for St. Matthews says, are placed under an intolerable strain. The Minister for Urban Affairs says they were elected, it's up to them to manage their budget. Mr. Speaker, I don't how many years the Minister of Urban Affairs spent as a councillor of the City of Winnipeg but I am sure that while he was there, he did not find it easier than the councillors of Winnipeg today, to be able to deal with the needs and services expected of the people. I am not sure that he, as a leader in the group in the City of Winnipeg as a councillor, was able to run a tighter ship than they are doing today. I would think the people who are running that ship today are much the people who were his colleagues when he was a councillor, but suddenly he shrugs his shoulders and says well, that's their decision, they were elected to do that.

Mr. Speaker, I don't think it is responsible for a Provincial Government, and the Minister for Urban Affairs is now an authority on constitutional affairs and knows very well that the Constitution of Canada such as it is, deals as between the federal and

provincial jurisdictions, and everything that the municipalities have in their powers, is granted by the province.

Mr. Speaker, when we in the New Democratic Government set a very important new stride towards a greater opportunity to the municipalities to raise funds by giving them clearly a share in those revenues which are more closely related to the growth of the province and more closely related to inflationary increases, we showed a direction in which they could go. You know, Mr. Speaker, we started, I think, in a minor way. We started with income tax, both corporate and individual, and turned over a share of that to the municipalities. We indicated that we were prepared to go further if they took their responsibility to do it.

Mr. Speaker, when it comes to responsibility, municipalities as I understand it now, the City of Winnipeg concurrently with the organization of municipalities last year, have now agreed they would like an increase, I believe it's in the sales tax, I don't know — the Minister for Urban Affairs will clarify what it is that the growth tax they wanted to get involved in — and as I understand it they have been dissuaded from that. I don't know if they've made a formal request or not, but surely now is the time when mill rates are being set, for the government to come to the municipalities and say we will give you additional clout; we will give you additional opportunities to participate in growth taxes by transferring more into your power so that you can cope better with the burdens placed upon you and they haven't done that to my knowledge, Mr. Speaker. They have left the same tax assessment base with the City of Winnipeg as it had before. They have done not, to assist in the problem that we are discussing in this resolution.

The Member for Ste. Rose mentioned that in 1978, on March 16th, the Throne Speech of the Government of Manitoba, the Progressive Conservative Government, Mr. Speaker, — how often do we laugh when we hear the word progressive — but the Throne Speech on that day read, and the Member for Ste. Rose referred to it. I quote, "My Ministers are working toward an agreement with the Federal Government for cost participation by that government in the provision of social services to Treaty Indians off the reserves." The important key words are, "working toward", and the most important is, "cost participation".

I must tell you, Mr. Speaker, when I was Minister of Finance and money was starting to flow into the coffers of the oil princes of the world, we started being approached by all sorts of people from all over the world saying, we are the ones that have the access to Arab oil moneys and we will be able to arrange oil moneys for you at cheap rates of interest. I remember a letterhead from gentleman in the States, and the letterhead had a slogan on it saying, "Assets growing towards \$15 billion", which sounded good until one realized that the growing towards could be a period of time and when I read in this statement from the Throne Speech of 1978, "My Ministers are working toward an agreement", I want to know where that agreement is, Mr. Speaker. They've been working toward it. Where is that agreement? If it's there, where is the participation, Mr. Speaker? Because that's what the Member for

St. Matthews is complaining about, and that is that the Federal Government is not accepting its Constitutional responsibility and is not doing what has to be done to assist the Native people to cope from the transition from life on reserves to life in the urban environment, and he is saying there is an intolerable strain on the fiscal resources of the city.

Well, apparently he as a member of his caucus, is prepared to leave that intolerable strain. Apparently he and his other colleagues are prepared to continue to say, let the Feds pay. Where is the participation they talked about three years and a few days ago? Where is that participation, in block grants? Is that participation, where they have increased it over the three-year period to a really small degree? I know very well that in this expected election year there have been some increases beyond the percentage in previous years, but by that kind of block granting they believe that they have assisted in the problems discussed by the Member for St. Matthews in this resolution? No way, Mr. Speaker.

I say that between the Minister for Urban Affairs and the Minister of Education, they have left the people of Winnipeg, and now mainly the suburban people of Winnipeg, the people who most of them would like to continue to represent, they have left them in the lurch. They have created problems which are now being shown in today's paper on the mill rate. Smile as he will, I don't think the Minister for Urban Affairs can avoid the fact that mill rates are going up now in the suburban areas of Winnipeg because of the government's change in the structure and, Mr. Speaker, no assistance from the Minister of Finance in the Property Tax Credit Plan or in the Cost of Living Tax Credit Plan to the same taxpayers? They can go along blindly shrugging their shoulders and saying, well, these people at the other levels of government were elected to their role and are not doing their job, but the Minister of Education has been quoted as saying to the Transcona people, you are spending too much.

Arithmetically if you say the cost of living went up so much, I don't know 11 percent or whatever the percentage is, and what you spent last year is all you can spend this year plus that increase, he is negating the real responsibility of a Minister of Education. I don't know that he's the fiscal authority of government but as the educator, he is not doing anything to recognize the long way behind the pupils of the Transcona-Springfield school division are in relation to the educational standards and the quality of education in the other school divisions, because he is working with arithmetic. Here is a Minister of Education, whose vocation is that of teaching, of educating, of developing young minds, whose working with a slide rule, and that I think is a pity, Mr. Speaker.

So I have to say that although I would like to see, and have participated in the past in seeing to it that the Federal Government take on a much greater responsibility than they have done up to now in the very problems that are being posed by the member, I think it's a pity that he and members of his caucus have refused to recognize that the province has a role to play and a bigger role to play, as must have been recognized at the time they brought in the Throne Speech three years ago, March 1978. Mr. Speaker, that was the first real session of the

government of Manitoba, the Conservative Government, and they said we are working towards greater cost participation.

Mr. Speaker, this resolution has to be interpreted as meaning that the Province of Manitoba does not recognize that it must put up more money or more aid in this respect, nor does it claim that the Province of Manitoba has in any appreciable way assisted in alleviating the problem, but it cites the problem, clearly and loudly, and then it does not give a solution other than go to Ottawa, and demand that they pay it. No wonder this member has been quoted as saying that some plan or program brought in by the Conservative government was a stupid one — I forget the exact phraseology — but he was right in what he said and unfortunately we can't count on the province, we have to go to the Federal Government and we'll have to pay.

MR. SPEAKER: Order please. The honourable member's time is up. The Honourable Minister of Urban Affairs.

MR. MERCIER: Thank you, Mr. Speaker. The Member for St. Johns in the course of his remarks said that we always, on his side, laugh when we hear the name Progressive Conservative.

Well, Mr. Speaker, we on this side, and those members who are now in this House and were on City Council, laugh when they hear the words "New Democratic", Mr. Speaker, because the word democratic is hardly a fitting description of the attitudes that they took towards the City of Winnipeg and other local governments in this province, Mr. Speaker.

I can still recall, and I'll never forget, Mr. Speaker, the time when during the course of the six years on Council, that I brought forward to the Provincial government, as we were required to do on an annual basis, the road program which we proposed that the Provincial government participate in. You will be aware, Mr. Speaker, of the extensive engineering tests that are done by the City of Winnipeg administration on roads to develop an order of priorities on those roads that are submitted for approval each year, core tests and other matters that people with some knowledge in that area will know more about than I. But the response of the Minister from that government at the time was, "Well, I drove over that road this morning and I don't think it's that bad", Mr. Speaker. And that's the way, it not only required approval of every specific project but that was the way in which they made that decision and many other decisions.

Mr. Speaker, the Member for St. Johns has commented on this government's role in providing financial assistance to the City of Winnipeg. He referred to the unconditional grant programs, the moneys which are raised from some 2.1 points of personal income tax and 1 of corporate tax. Mr. Speaker, we have on this side a couple of years ago, reallocated those moneys in an attempt to provide to larger municipalities in this province more moneys. Over and above the unconditional basic grant, which this year is \$21, there is an urban services supplement which goes to the larger municipalities, including the City of Winnipeg, of some \$5.75 per capita.

The Member for St. Johns, Mr. Speaker, referred to the Property Tax Credit Program. I remind him

again, Mr. Speaker, of the increase in that particular program last year of some \$100, to its current amount. I say to him, Mr. Speaker, currently representing an area of the city in the constituency of Osborne, made up in the main of houses which are below the average assessed home of some \$7,000-8,000, all of those homes, Mr. Speaker, in the constituency of Osborne, had their taxes reduced last year from the previous year, as well as the additional assistance which was provided to senior citizens last year. So there was substantial . . .

MR. SPEAKER: Order please. I have allowed an extremely wide field in debate with previous members. I would point out to honourable members that we are dealing with Resolution No. 5 and I would hope there is some reference made to Resolution No. 5.

MR. MERCIER: Some of that assistance, Mr. Speaker, did go to Native people.

Mr. Speaker, the Member for St. Johns has referred to the block funding program, which also benefits Native households in the City of Winnipeg, and he referred to a limited increase in that area. Mr. Speaker, I remind him that last year that amount was increased by 10 percent from its basic amount of 30 to 33; plus an additional four to be applied to some outstanding capital projects; plus an additional two last fall to do some additional capital works, Mr. Speaker. So that amounted, last year, to some \$39 million. This year the basic grant was increased by some 16.8 percent out of a concern, Mr. Speaker, as I have indicated earlier today, for public transit and the requirement of the city to purchase buses.

Again, I point out that at the time that we announced that particular grant the city had included in its budget some \$2.3 million for buses and as a result of a change which we approved in the use of UTAP funds, the 2.3 was removed from their current operating budget and will be paid for through the UTAP fund, so actually we provided a 16.8 percent increase in the block funding grant and, over and above that, \$2.3 million was reduced from their operating budget. So the City of Winnipeg, Mr. Speaker, I am sure, to any reasonable observer will admit, and have admitted, that they have received at least a reasonable, if not a generous amount of funding, in the current year.

Now, combined with that funding, Mr. Speaker, has been a major, major program of education financing reform by the Minister of Education throughout the Province of Manitoba, some \$70 million, I believe is the correct amount, and it must be — and he will provide us, no doubt, with these figures later on and I just don't have it available — but a significant amount of that, surely over half of that, must be paid to school divisions within the City of Winnipeg, some of which are Native people.

Combine that, Mr. Speaker, with the Hydro freeze, and we don't want anybody to forget that outstanding program which was implemented some three years ago, because in 1977, Mr. Speaker, that was a big issue, hydro rate increases of 150 percent and there have been no increases in that. That was an increase which members opposite, through The City of Winnipeg Act, providing for equalization of hydro rates between Manitoba Hydro and City Hydro, imposed on the City of Winnipeg residents,

some 150 percent over those years, Mr. Speaker. So there have been substantial benefits.

The Member for St. Johns indicates that this government has taken no action in the area which is referred to in the Member for St. Matthews' resolution, in training Native people, providing them opportunities and forms of assistance for job training. Mr. Speaker, I am sure the Member for St. Johns is aware of the Core Area Initiative Program which is under discussion and negotiation with the Federal government and with the City of Winnipeg. A significant aspect of that program and one of the foundations and major premises of the program is an employment and job training aspect, Mr. Speaker. I am not in a position yet to be able to indicate to the Member for St. Johns or other members or to the public the details of that program but I can assure him that it is under active negotiation. I hope that within a month we will be able to be in a position to announce the details of that program and to present them to City Council for approval by that level of government and that it will also receive approval by the Federal government.

One of the objectives that I believe is outlined in the memorandum of understanding between the Federal Minister and the Mayor and myself, signed last September, was to deal with this important aspect of job training in the inner core. The whole program, Mr. Speaker, will be designed around that aspect, to create jobs in the downtown; to provide training facilities in the downtown area, particularly for that difficult group of people who have had problems, and special problems in that area; and to deal with other aspects that will relate to that job training, housing, rehabilitation of homes in the area, the creation of jobs in the downtown, close to where they live, so that they can live and work in the central part of this city, Mr. Speaker.

That area is being looked at very seriously. I would like, Mr. Speaker, to be able to indicate at this time, specifically the exact programs, but until the final agreement is reached I am unable to do so. But I can assure the member that that area is being seriously looked at in a co-ordinated way by three levels of government, not by one level of government acting unilaterally, but by three levels of government attempting to co-ordinate their activities in the central part of Winnipeg. I am optimistic, Mr. Speaker, that the results of that agreement will be beneficial, as a result, to the whole city.

Mr. Speaker, those are the brief remarks that I wanted to make in response to the Member for St. Johns on this resolution. There is no justification for the suggestion that reasonable financial assistance has not been provided to the City of Winnipeg in this year or in any other year by this government. It has, Mr. Speaker, it is combined with a substantial educational financing program; it is over and above improvements in the Unconditional Grant Program to the city; it is over and above the hydro freeze, benefiting the City of Winnipeg; it is not including a program to be announced shortly under the Core Area Initiative.

So, Mr. Speaker, overall I think this government can be assured that it is providing reasonable assistance to the City of Winnipeg in a financial way and it is certainly my hope that we will be able to deal, through our negotiations with the Federal and

municipal governments, in a way that will assist Native people in employment and job training in the central part of the city.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, having spoken to the amendment to this resolution which was voted down, I would now like to address myself to the main resolution.

It appears to me that what we are talking about here is the old adage that says an ounce of prevention is worth a pound of cure. What happens when you enter into a kind of program that this government has entered into, and the Federal government in Ottawa, which this resolution is addressed towards, is that in fact those kinds of programs, those kind of developmental activities that will have some long-term benefit, those kind of activities which prevent the kind of social problems that are very costly when they do occur, those kind of programs seem to be the first kind of programs, Mr. Speaker, that get cut when there is a cutback in what government is up to, what government programs are being carried out. So when you have the restraints and cutbacks of the Provincial government and the restraints and cutbacks of the Federal government, then each trying to blame the other for the resulting problems from those restraints and cutbacks, then you get into a kind of situation where, in the long run, the cost to both levels of government increase quite drastically and quite dramatically.

Mr. Speaker, I think that members are well aware of the other kind of costs that go up in the City of Winnipeg and outside the City of Winnipeg when you cut back on those kinds of developmental programs, those kind of preventative programs, and they are other kinds of programs that, with his limited knowledge and understanding of the situation, that the Member for St. Matthew is talking about a little bit in this particular resolution. But those are the kinds of programs that get cut back when you have a restraint program in effect, and that restraint program then evolves into increased costs for the people of Manitoba and the people of Canada because of the other problems that are not prevented and that are allowed to happen.

The other aspect of this resolution, Mr. Speaker, is that in fact the Province of Manitoba, the Provincial Government, has a mechanism by which they can extract federal funds in order to do the kinds of things that they are talking about within this resolution. That mechanism, Mr. Speaker, is the DREE agreement, or the Manitoba-Northlands Agreement and the extension thereof, which is a mechanism which allows the province to receive 60 percent funding from the Federal Government; put up 40 percent of the funds itself, and in some cases under that agreement 100 percent for some specific parts of that program come from the Federal Government.

What we see, Mr. Speaker, is an inability or unwillingness on the part of this government to proceed and to get into place a new Northlands Agreement, or an amended Northlands Agreement. Finally after much procrastination and delay, which was kind of a strange situation that we saw last year

when a Minister of the government didn't know that his own staff person was being moved from Northern Manitoba and then finally came up with the excuse he was being moved to do some negotiation on this Northlands Agreement. What has happened during the estimates process of some departments when we ask about the progress and the state of the Northlands Agreement, the indication was that agreement would be signed very shortly, like this month, and that was the understanding, the thoughts of Ministers opposite who had some involvement in that particular agreement.

But, Mr. Speaker, what they didn't do on that side of the House, and which is mandatory for an agreement of this type, is they didn't consult with the people affected by the agreement. There were no discussions with the Four Nations Confederacy; there was no discussion with the NorMan Regional Development Corporation; there were no discussions with the municipal governments in Northern Manitoba; and there was certainly no discussion with the Manitoba Metis Federation. Of course the reason for there being no discussion with the Manitoba Metis Federation, Mr. Speaker, relates directly to the attitude of this government, and particularly to the attitude of the Minister of Northern Affairs who is speaking now with his hands, and it seems to be more effective than when he speaks with his mouth, Mr. Speaker.

Mr. Speaker, we have a case of that kind of discussion not taking place, that kind of negotiation, that kind of consultation with the people to be affected by agreement not being put in place; and with the government, the Province of Manitoba, proceeding unilaterally on its own without that kind of consultation taking place. Now we have, Mr. Speaker, the people who are about to be affected by this agreement saying, just a minute, we would like to have at least a little bit of say; after all this agreement is designed, it is aimed at doing something to assist us in our communities, and maybe you could just tell us what's going to be in it, or maybe you could just ask us if we have any opinions on the matter. But, no, Mr. Speaker, this government would prefer to proceed on their own with a few bureaucrats coming up with a program, coming up with some idea of an agreement, instead of at least talking a little bit with the people to be affected by the agreement; a little bit of discussion. But I know, Mr. Speaker, that kind of discussion won't take place between the Minister of Northern Affairs and the Manitoba Metis Federation, because under the Minister of Northern Affairs, and with the strings being pulled by the Member for Thompson, the Minister of Labour, and the Premier, I'm assuming this government has decided, Mr. Speaker, that the Manitoba Metis Federation is an organization that must be punished, that must be put in its place; it must be taught a lesson by big brother . . .

MR. SPEAKER: Order please. I have allowed a wide degree of latitude but we are trying to deal with the core area of Winnipeg. The honourable member may continue.

MR. McBRYDE: Mr. Speaker, what takes place — I don't have to reach as far as the Minister of Urban Affairs had to reach. What takes place, Mr. Speaker,

and very clearly and it's even mentioned in this resolution, that in fact when you don't have development in the rural and remote areas then the Native people are forced to move to the City of Winnipeg to attempt to find employment within the City of Winnipeg.

Mr. Speaker, where this government has fallen flat on its face is in the area of doing anything for economic development, and they aren't doing anything for employment creation in the rural, northern, and remote communities in the Province of Manitoba. And the worst offender, Mr. Speaker, is the Minister of Northern Affairs who is supposed to have some responsibility in that regard; and the second worst offender is the MLA for Thompson, the Minister of Labour, who is supposed to have some input into that situation.

So, Mr. Speaker, we are in a situation where in fact the government restraint, the government cutbacks has affected those developmental programs, those preventative programs, and now we are looking, after the problems have got worse under this government, as a way to put some bandaids on these kinds of problems; so we have the situation where the Minister of Community Services is being questioned about the feeding of children having to stand in lines to get their . . .

MR. SPEAKER: Order please. The hour being 5:30.

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Yes, another change on committees, Mr. Speaker, Public Utilities, Mr. Craik for Mr. McKenzie.

MR. SPEAKER: I should point out that when this subject next comes up the honourable member will have 11 minutes.

The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Natural Resources that this House do now adjourn and resume in Committee of Supply at 8:00 o'clock.

MOTION presented and carried and the House adjourned and stands adjourned until 10 o'clock tomorrow morning. (Friday)