

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, March 8, 1973

COMMITTEE OF SUPPLY - MINES AND RESOURCES

MR. CHAIRMAN: Resolution 82(a) (1). The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): I wasn't meaning to speak, I was just going to take a document outside and I was about to rise.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I think when we left off at 5:30 the Honourable Member for Riel had just a few minutes left and he has probably found it impossible to be here, so I'd like to take this opportunity to congratulate the Minister on his having resumed this portfolio of Mines, Resources and Environmental Management after a lapse of some period during the last session. We think that the Minister brings to his explanations and to his ministerial responsibility a sense of clarity and definition, particularly, I think, in those areas in which he has an interest-- particular interest - and his interests are certainly broad. We are able to ask questions and usually get very definite answers and this assists the Opposition in its work as those involved with the responsibility of considering the expenditure of public moneys and to ask questions where we feel that such questions are desirable or that additional explanation is needed.

In the areas in which the Minister has made his explanations I think his positions are quite clear. There are certain other areas which have not yet been discussed and which I have no doubt we will proceed to before the total Estimates of the department have been passed. But there is one area I think, Mr. Chairman, that I find sometimes that the explanations given by the Minister are not as clear or not as easily understood as in others, and in the area which I think of now particularly it would be water management in the province.

The other day in the session during the question period I asked some questions relating to the authority and responsibility for the establishment of proper water levels and for the maintenance of those levels in Lake Winnipeg, and I think the answer there was a pretty definite one that a Lake Winnipeg management board would be charged with that responsibility when the water regulation structure was completed and came into operation. But on another series of questions in respect to Southern Indian Lake the Minister indicated that it was not yet established what responsibility would apply in that connection. When the levels had been established who would in fact be charged with the maintenance of those levels and with the dealing in any problems that arose?

A further series of questions from the Honourable Member for Rock Lake related to the subject of Rock Lake and the Minister then indicated that the responsibility had been directed to the Minister of Tourism and Recreation because it appeared to the Department of Mines and Resources that the principal interest there was one of tourism and that perhaps then the authority should rest with the Minister of Tourism. At least that was my understanding of this point.

MR. CHAIRMAN: The Minister of Mines and Natural Resources.

MR. GREEN: I don't want to interrupt my honourable friend's speech but perhaps an exclamation at this point would be helpful to him. I merely indicated that there were -or should have indicated if I didn't say it properly - that there were no cost benefit advantages which would justify the Water Resources Branch spending money in that area, but if it had a tourist potential which we were not aware of then that would be a consideration which would be studied by the Minister of Tourism. I don't know whether that's any better but that's what I intended to say.

MR. SPEAKER: The Honourable Member from Brandon West.

MR. MCGILL: Mr. Chairman, there undoubtedly is a tourist potential there and as to the other cost benefits I am not in a position to even offer an opinion. But going back to the Lake Winnipeg situation, certainly the beaches and the tourist attractions of that lake must exceed almost those of any other one lake in our province, and presumably then there will be some input in the Management Board from the tourist and recreational point of view.

Then there was a suggestion that perhaps there would be some regulation of the levels of Lake Dauphin and I assume from the remarks that the Minister's department would in fact be responsible in that area or at least would take the lead in determining what levels should be established.

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(MR. MCGILL cont'd)

Now, Mr. Chairman, we come from those areas in which I find some, not a clear definition of departmental policy but a variety of disciplines involved, we come now to a discussion which has been going on in the Legislature not on a regular basis but from time to time since 1970 - and I refer to the lake levels and the problems relating thereto at Pelican Lake in Brandon which is one - I'm sorry, it's not in Brandon it's southeast of Brandon but is in the Souris-Killarney area as the honourable member has reminded me - and in reviewing the positions or non-positions that the Department has taken in this respect I'm led to believe that certainly there is something to be established here and something to be determined and I can't see that we can entirely eliminate the Department of Mines, Resources and Environmental Management because it indicates clearly to me that water management is one of their responsibilities. The Pelican Lake area has a tourist potential, a tourist attraction, and is certainly for that reason one that the Province of Manitoba should consider.

But going back to the problems, there is a question and a problem of the level to be maintained in this lake and the difference of interest in respect to that level which the people involved have been attempting to resolve for several years. The facts are roughly these, that the inlet control gates which I believe were originally a federal establishment were reactivated by the Provincial Government through the highway department in about 1968 or 69. The outlet devices which are not really control devices but are culverts do restrict the outflow of the Lake during periods of high water and these were established by the Province of Manitoba or at least installed by the province.

The municipalities, and there are five of them involved in this general area, have separately taken the position that it is a provincial responsibility, not all of them I believe have been directly stating that but at least three I think have stated that it is in their view a provincial responsibility. The people who have been concerned about these levels have come to an agreement that it should now be satisfactory to those concerned or at least this is the nearest they have come to agreement that there should be a level of 1,351 feet above sea level. They have also established to their satisfaction that in order to maintain this level a new structure would be required at the outlet end of the lake and that this would cost in the neighborhood of 25 to 30,000 dollars. They point out that at a time when the province is looking for programs and "make work programs" at certain times of the year that this might fit in very well with that kind of program; that the total involvement is not a great deal of money but that all it really needs at this stage is for some level of government to say we will be responsible and we will now agree to establish a proper level for the lake and maintain it.

I don't need to remind the Minister that any water problems are complicated and that these discussions have been going on for some time. But I do suggest that in view of other explanations that there should be some acceptance by the Minister's department of final responsibility in this matter, and that if the matter continues to go around in circles as it has been for the last two or three years then what appears to me to be a problem very close to solution at this point will remain at just that stage. I think that the use of the lake and its development as a recreational area and its growth as a cottage place for the people of southwestern Manitoba will be somewhat restricted for the lack of a clear and definitive policy.

Mr. Chairman, I had not intended to enter the debate in all its phases at this stage but I merely did at this time want introduce this subject as one that has been on the books for a number of years and one which I would hope the Minister would see fit to give us some clear answers at this stage.

MR. CHAIRMAN: The Minister of Mines and Natural Resources.

MR. GREEN: I wonder if honourable member would let me try and answer the immediate questions? I may just be a few minutes, I won't answer the Member for Riel until he's back in the House so that he'll get them. I'll try to deal with the answers to the questions raised by the Honourable Member for Brandon West.

I did indicate that with regard to Lake Winnipeg there would be a management board composed of various interests and that these interests would be the regulators of the lake because it is a multi-disciplinary project affecting numerous interests. The situation at South Indian is less clear and I agree it's less clear and I can't give a clear answer when a clear answer doesn't exist. The fact is that the project at South Indian is essentially at this point a hydro project. Now there will be various recommendations coming from the Federal -

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(MR. GREEN cont'd) Provincial Study Board as to how we can maximize whatever benefits this program affords to us and there will be recommendations dealing with how hydro is controlled with regard to its regulatory power. Let me say that my recollection is that in the licence the Minister of Mines and Resources is the ultimate control and therefore there is an overview. That's my recollection and I hope I'm not incorrect. But for practical purposes I don't recall having been called in with regard to Grand Rapids, with regard to the other places where there are hydro reservoirs, with one exception; there was at one time with regard to Grand Rapids a request to go beyond the existing lake level and that was refused. But it does indicate to the Honourable Member for Brandon that the ultimate power rests with the government through the Minister of Mines and I doubt whether the same type of vehicle will be recommended for Lake Winnipeg as -- for South Indian as now exists in Lake Winnipeg but I presume there will be a suggested vehicle and it's some time till we get to that stage and I hope the honourable member is not faulting me because we don't have an immediate answer to that question.

With regard to Rock Lake I merely tried to indicate to the honourable member that there is nothing that could justify water resources expenditure of money in the area as a water resources project. But if there is a tourism potential in the area which could take on an all Manitoba context, then that tourist potential will certainly be considered and if there then is government policy to proceed in that direction I presume that water resources will be involved. But at this point Rock Lake is a lake like many other lakes in the Province of Manitoba resting within essentially municipal jurisdictions which the Provincial Government doesn't ignore but doesn't put a thrust into unless it is declared that kind of area, that's why it is being studied by the Department of Tourism.

I can tell you that with regard to Rock Lake, and this shows the danger of sometimes moving a little ways - and I'll deal in the same respect as Pelican Lake - that there was an algae problem and the department - I think it may have been under the previous administration but certainly it was continued on under this administration - went into a pilot project to see whether copper sulphate, - and I hope honourable members will not feel that I'm misleading if my chemicals are not correct but I'm talking from memory -- they thought that copper sulphate would cure the algae problem and we supplied the staff, the expertise and the copper sulphate. And apparently there was some success. And at the end of the pilot project we said this in what we have learned, this is what you can do, this will help your algae problem. And they said, yes, well where is the money for the copper sulphate. Which I don't blame them, I mean why not? But the fact is that it is not a Provincial Government policy to provide chemicals to all of the lakes existing within municipal jurisdictions in the Province of Manitoba, and to continue to supply Rock Lake on a pilot project basis would mean the defining of a total Provincial Government commitment which we were not prepared to make. Now we can be criticized for not making a total commitment, which I tell you would involve many many dollars all over Manitoba and which sure would raise cries of outrage when the Estimates went up to that effect. Certainly the area which is going to benefit a great deal by Rock Lake has gotten a definite advantage out of the pilot project and is now being asked to take the expertise, take the value of the project and do what the project was intended to do - give them a way of dealing with that lake. Now that's the situation with regard to Rock Lake. I frankly would not be upset at all if the Minister of Tourism found that this was a great Manitoba tourist attraction which should be treated in the way of a provincial park and dealt with. I'm not pushing him in that direction because he is responsible in his department. I know the lake, I think it is a lovely spot and if that is his judgment that is fine, but I don't think we can be criticized for not engaging a water resources project in that area without that type of commitment.

With regard to Pelican Lake, Mr. Chairman, the situation is somewhat the same, I believe, and it may not have been the Honourable Member for Lakeside but it may have been a previous Minister, I believe that some previous Minister of Mines and Resources responsible for water control feeling very kindhearted, tried to help the situation at Pelican Lake and there were two contending interests; that my impression is that the rural agricultural permanent residents wanted the water at high level, that the beach cottages on the lake wanted the water at lower level; that certain levels were agreed to, or if they weren't agreed to they were established. This did not satisfy, essentially my understanding is, the non-permanent residents, the cottage owners and people who had a camp out there.

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(MR. GREEN cont'd) .

I think the department wanted to use its good offices, and some Minister was urged to use his good offices, but at the time specified, but the use of my offices, the help that I am giving you does not imply a provincial responsibility for this lake. That was specified all along and I believe that every letter that I have written to the people in the area of Pelican Lake saying we are trying to help, we will send you our expertise, we will help you set up the Planning Committee which was set up to discuss this problem, and then my recollection is a final paragraph: "Please be advised that this offer, that this assistance and this involvement in no way admits that the Provincial Government is in any way involved in doing anything in that particular area which is not considered general policy all over the Province of Manitoba. And that is the situation with Pelican Lake. But the Honourable Member from Brandon West may himself have indicated the solution to the problem. You say that it can be done under Winter Works as a PEP program, the programs of that kind. There is no reason why the municipalities concerned shouldn't apply for this type of money and proceed with this type of program. Mr. Chairman, I believe that it is exactly the kind of program that PEP projects are given to. The Minister's responsible are not here but I've seen what comes in as PEP projects and I would say that if this work has a substantial labour content then by all means it should be done under Winter Works or a PEP project, and the municipality should seize the opportunity to proceed on that basis. I see no objections to that at all.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. MCGILL: . . . had a question?

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: I accept the Minister's explanation but I am still not clear why the Minister and his department accepts responsibility in areas where there is a problem about lake levels and on certain lakes. But surely where other jurisdictions are not able to reach agreement and are jointly asking for a higher level of authority to accept responsibility for final determination, surely this is an area in which the Minister's department has clearly got a responsibility, that's all.

MR. CHAIRMAN: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: If the honourable member is saying should we adjudicate as between the contending interests which he now says are in agreement and I'm happy to hear it, I don't think that that is the seriousness of the problem. What happens is what's done after the adjudication is made. With regard to Lake Winnipeg regulation that was a project which was made possible by the fact that there was a hydro project involved. With regard to Lake Manitoba regulation I do not know the entire history, but I imagine the Provincial Government said that there was a problem here of sufficient dimension, that the cost benefits of it clearly indicate that the Province of Manitoba should become involved, and did so.

But that is not the situation throughout the Province of Manitoba with regard to every water problem and therefore when you single out Pelican Lake as one that we should surely be involved in because the people have contending interests, if the involvement was a request that we send somebody down there to judge it I certainly would not like to be the judge but if that's the way it had to work I would be willing to incur the anger of one side or the other in order to have it resolved. That will resolve the problem if you say that then they need \$30,000 for somebody to do it, and I am saying that if you feel it should be done under winter works, the Winter Works program is a program where the municipalities applied for the money and get it and go ahead and do it.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Chairman. Mr. Chairman, I'd like to take this opportunity to voice some concerns that I have and we have on this side with respect to this department and this Minister. Some disappointments that we have in this department's operation and this Minister's direction of that department.

Let me firstly say that I appreciate the Minister indicating to us some of the changes in the senior staff. I think it's always helpful to those of us on this side of the House who haven't as yet you know fully acquainted ourselves with some of these changes. I look forward to having the pleasure of being able to work with Mr. Cawley; from what I have heard he is undoubtedly a competent Deputy Minister. I'd like to also, just in passing read into the record my personal thanks to the service that the former Deputy Minister, Mr. Bill Mair gave to the

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(MR. ENNS cont'd)department. He was indeed an outstanding public servant in the relatively short time that he served us here in Manitoba.

Mr. Chairman, in the department that we're dealing with, my colleagues seemed to earlier this afternoon question the size of the department and as to whether or not it should perhaps be split up in some way. I don't particularly share that belief. I think what he was really saying is that we share the concern or emphasis that we feel this Minister is going to bring to this department because this government has a habit of loading up this Minister with a considerable number of things. He is already among other things of course the air marshal for the air fleet that we have in the province. He is --(Interjection)-- well now you're still the Admiral though. You're the admiral now when you have MDC coming under your stewardship -- he is one of the few prairie admirals that we have here in this part of the country. But more seriously I think it's that concern that we have in view of other things to come in the shape of which direction the economy of this province will go particularly with respect to mining and the development of the mining industry that we have some concern as to where the other very important aspects of this department are headed for and what kind of direction and what kind of attention they'll receive.

Mr. Chairman, the department quite naturally is divided into three fairly easily and understandable segments. We have the Mines end of it and I suspect that with all the current concern in that particular area that that indeed will occupy a great deal of the Minister's time. We then have another important section of this department that deals with the concerns of wildlife which I think to an increasing degree is becoming of importance to all of us in Manitoba whether we're involved as hunters or whether we're involved as farmers or whether we're involved as professional people with interest in particular game species and so forth. It's a concern of growing proportion to all conservationists in the province and people generally.

Then we have the very important area of water control and general water management and conservation management in this particular area. And here's where I think, Mr. Speaker, the Minister is going to come under considerable attack from us particularly from the Party that I represent insofar as that we have the responsibility of representing so much of rural Manitoba where our interests lie.

Mr. Chairman, it was during the reorganization of government back in '68, late '68 that the Water Control Department was transferred to the Mines and Resources Department. I was happy with that transfer at that particular time. I felt that it was a transfer in keeping with the kind of emphasis that now should be placed in that department of government, namely that of conserving our water supplies. Indeed, Mr. Chairman, I think that we had hoped for, that there would be the kind of effort that was applied to seeing to the fact that farmers in our productive agricultural lands had the assistance from government to make that land as productive as it could be by a very vigorous drainage program, by a very vigorous flood control program, and I, you know without repeating history, but the 60s will forever remain in the history of this province as being that relatively brief period of time when most of our prime agricultural land was finally made fully available and fully accessible to our farmers to produce the kind of crops that we are capable of producing on our crop lands. The 1960s will go down in history as being that year that we solved most of the major flood problems or the dangers of floods that faced our major communities, the most notable project of course being the Winnipeg Floodway. Which by the way, I'd like to digress for a moment to correct the First Minister of this province when we expressed some concern about the escalating costs of the Lake Winnipeg regulations. He seemed to indicate that in recent decades there was hardly ever a project that came in of any magnitude that wasn't grossly overspent in its final cost. I should remind the Honourable Minister that in the case of that single largest undertaking, the building of the Winnipeg Floodway at a cost of some \$64 million, the actual estimate and the final cost was within several hundred thousand dollars. So much for the estimating capacity of previous administrations.

Mr. Speaker, what I'm trying to say in a few words is that we, you know the emphasis in the Water Control Department that is now under your jurisdiction was oriented very definitely towards getting rid of water. Some would argue too much so. Mr. Speaker, the philosophy and the intent of bringing the water control back into the folds of the Department of Mines and Natural Resources and now it's full term Environmental Management, certainly in

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(MR. ENNS cont'd) . . . My judgment was a right move at the right time. What has since happened is disappointing, because I don't see neither in the Estimates which show a decrease in the amounts of money being allocated in this particular area and I certainly don't see in the country generally the similar kind of effort in conserving, in the building of worthwhile conservation projects, in the building, in the securing of permanent water supplies in the water poor areas of the southwest. We hear nothing any more of the development of the Souris, of the Pembina Rivers, such projects that were fairly high on the priority list. Building of the Patterson Dam, the Coulter Dams, all major conservation projects, most important to the southwest have just disappeared into thin air. My understanding is the one project that the department has been engaged in of late, the Pleasant Valley Dam construction in the Roblin area is near completion or virtually complete, that was a project that was next to being underway at the time we left office. But I would have hoped, Mr. Chairman, that there would have been, you know, some aggressiveness on the part of this department in dealing with these matters. Because, Mr. Chairman, I think it's much more important now to direct our attention to these areas. I think that the public is seeking this kind of action from their government. We recognize that in many instances we have destroyed far too much of our natural habitat, our natural environment. We recognize that in many instances, I speak as a farmer, that we have denuded certain areas of our land that should have perhaps never been touched. I'm speaking now perhaps of the escarpment and the attendant problems of erosion. So we look for and we need a pretty aggressive kind of a conservation and land reclamation program, all of which call for a major input on the part of this department and the part of this Minister.

Mr. Chairman, I don't see it, I have not seen any stirrings of this in the last three, four years. I was prepared to let a reasonable amount of time go by. I recognize that for even this government to come anywhere near the kind of momentum and the drive that the previous administration had in these matters would take some time for them to learn or to adapt to. They are after all more concerned with the crushing priorities of where to build washrooms or where not to so that we have to allow for these things to be sorted out. This is the degree of water control problems that we have with this government. But, Mr. Chairman, I hope the Minister takes these words to heart because the question of attacking with the kind of aggressiveness that this government has shown, has been unable to show us today, is sorely lacking.

Mr. Speaker, I have spoken about the problems of water conservation so far as actual projects stand, something like that, other speakers, other colleagues who represent the specific areas undoubtedly will deal with them in far greater detail. I'd like to deal with a particular area that I have of major concern. It's my privilege, Mr. Speaker to represent probably the finest marshes in North America around Lake Manitoba. I speak of the Delta Marsh, St. Ambrose Marsh, Lake Francis Marsh, Marshy Point, Lake Manitoba. This is a lake where the Minister will not be able to equivocate his responsibility as he has been doing so with my honourable friend the Member for Brandon West, it is a lake as he knows that the department has accepted responsibility for. It's again one of these questions as to whether or not, how we capably satisfy divergent needs and divergent requests. All I am saying to the Honourable Minister, that these marshes, the maintenance of these marshes are becoming very critical. Solutions found several years ago, and that have been in practice for several years, which I accept full responsibility for. It was under our administration that we put in the new and better water control at the Fairford River. It was under our administration that after ample public hearings around the lake, and ample discussion with the diversion interests around the lake, that we settled on a water level that that lake should be controlled at.

Now, Mr. Speaker, I think subsequent --(Interjection)-- subsequent, and it was not immediately subsequent actions, but subsequent biological data that has been collected seems to suggest that a stable water level is not sufficient and is not satisfactory in maintaining the productivity of our marshes. In other words in trying to reach a compromise in satisfying the farmers or the ranchers and at the same time keeping the fishermen and the wildlife concerns in the marshes happy, we've agreed, and we've kept the commitment of keeping Lake Manitoba at a -- within the ranges of preset guidelines. But from all the information that seems to be collected, from the information, Mr. Speaker, I might say that has been compiled by the research work that has been carried on, on the lands, on the large sections of the land, that the previous administration confiscated or bought and placed in the public domain so that these

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(MR. ENNS cont'd) . . . marshes -- Bain's estate I might say - so that these marshes should forever be in the public domain, now the kind of research work that is coming out of this effort that's been taking place the last three or four years, indicates to me anyway that perhaps a different attitude will have to be taken with respect to regulating the lake level at Lake Manitoba; that we may look at a different system which would call for periods of high water and periods of low water. And if this has to be done, and I don't know whether that has to be done, but it would certainly appear that it's going to be very difficult to on the one hand maintain the productivity of our marshes, which are rapidly depreciating, and at the same time take into concern, the legitimate concerns that livestock growers, ranchers, farmers have on the periphery of that lake.

Mr. Speaker, again I would be happy if I felt the firm hand of this Minister was being exercised in directing the department vigorously in this direction. I don't see it; I don't feel it. --(Interjection)-- Mr. Speaker, I would encourage him to wear his spurs, you know, in this particular matter and indeed sleep with them if need be.

A MEMBER: What would my wife say ?

MR. ENNS: Not with her, with him, or with the spurs.

Now Mr. Speaker, on the matter of wildlife, I am raising the specific areas which . .

A MEMBER: Now he's talking about wild life in connection with your wife.

MR. ENNS: You know several years ago, in fact again, Mr. Speaker, I think it was -- when I think of it, when I think of the many good things that we were not quite allowed to complete during our last term in office it bothers me, Mr. Speaker, not to see this government fully capitalize on them to the benefit of the people of Manitoba.

For instance we all supported the program that was introduced early by this government of selling a general hunting certificate and offer a program of compensation to farmers and to other persons in the country with respect to any loss suffered as a result of action on the part of wildlife or indeed loss suffered as a result of irresponsible hunters. Indeed much of the problem that the Minister earlier described in answer, or in his introduction, or in answer to other questions about the unfortunate tendency of the growing number of lands being withdrawn from the public sector, that is private land being withdrawn from the public sector to the availability of general hunting, could have in fact been forestalled to some extent had this government acted with some vigour and with some clear direction with making this program into a fully operational program. It would have required some additional funding I appreciate but, Mr. Chairman, I suggest to you once the general tax is levied, once every Manitoban, every person hunting, is levied a tax for -- and it is explained that that tax is levied to do a certain thing, then I suggest it's difficult to implement it in halfway, in a halfway -- in half-way steps or halfway measures. The Minister may argue that it will take some time for sufficient funds to develop in this fund before the kind of programs that he himself had envisaged could be introduced. Mr. Speaker, I'm suggesting to you that the attitude of the hunter when he is hunting on farmer land his attitude is, I pay my hunting certificate; I have a right -- of which he hasn't of course, but that attitude unfortunately develops when you impose a tax for a particular purpose.

A MEMBER: He hasn't the right.

MR. ENNS: Now, Mr. Chairman, this government imposed the tax with our support. The only difference is that it is in this year and this year, even then on equivocation, where some of the benefits are starting to flow from this particular program. Mr. Speaker, I would like specifically to know the situation of the fund, the numbers of dollars that actually accrued into this fund to date or in this last year and some idea at some time, some idea of the disbursement of the funds. In other words, how was this money used? Was the money used principally in what I would call departmental work, in buying lure crops; to what extent was this money actually used in trying to compensate actual loss either in crops or in other areas?

Now, Mr. Speaker, we're dealing on the Minister's salary and by tradition we talk, we refrain to -- we restrain our remarks at this particular juncture to generalities of the department's function and of the Minister's conduct and so it's not my intention to deal with the specific items in the Estimates. I have noted several items that I will be making a specific point of asking him specific questions on as we come to them.

Let me proceed then to the third major segment of his department. I've listed the three in broad terms, water management and conservation, the wildlife aspect of it, and now we

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(MR. ENNS cont'd) come to the very important function within the department, that of the mines section of this department and the whole question of mineral development in this province, and the undoubted part of his department that will be receiving most if unfortunately not nearly all of his attention in the next little while. Mr. Speaker, speaking about this aspect of the Minister's work one can of course ignore the publication that has already been referred to, namely the Kierans Report, Professor Kierans' report, and his solutions that he has provided the Minister with with respect to what he should be doing to ensure that Manitobans have a greater return of the rich mineral resources that are ours. Mr. Chairman, I would hope that this government would very quickly establish precisely what their attitudes are in this respect. I say that you know with some very real concern because I'm not that sure that I can take at face value, nor believe, this government that when as the occasion demands it, as the politics demands it, this government speaks loosely and glibly of that utopian type of arrangement that they would like to arrive at where the private sector marches arm in arm with the public sector, and that we're not prepared to be dogmatic, approach this thing from a doctrinaire point of view. Live and let live is the philosophy of this government as espoused from time to time particularly by the First Minister when he feels that perhaps the flow of information coming from various segments of that party, and from that side of the House, is drifting too far to the left he tries to center it back more into the center by reassuring us all that he sees no conflict in the proposition that public enterprise with private enterprise can march happily down the main aisle in happy bridal bliss.

Well, Mr. Chairman, I won't insult their intelligence because they know of course that that is absolutely stupid and wrong. I won't insult their intelligence that they do not full well know that the private sector, you know, and its operations, is as delicate and as sensitive as the very issue of democracy itself, and that when you read Professor Kierans' report commissioned by this government, when you read the NDP takeover manifesto commissioned by this government, its inhouse working document, and when you put the two side by side, Mr. Chairman, it's not, it's not waving read flags, it is not causing -- it's not crying wolf, it is a very real concern to the -- whether or not, whether or not this government has any serious intentions of allowing the private sector to have its fair day under the sun in this province, or if indeed, as I suspect, they know full well the kind of climate the private sector, any private sector, requires to operate under. However they have no concern about the private sector and as such of course are not unduly concerned about providing the kind of climate necessary for the private sector to operate in. Mr. Speaker, I think the Minister has a responsibility to Manitobans to be very candid with us and tell us to what extent the Kierans document has already become policy in this province. We know that certain aspects of it have with respect to the --(Interjection)-- leasing before Kierans. Mr. Chairman, I have always known that the present Minister of Mines' position . . .

A MEMBER : That's right.

MR. ENNS: He could have dictated the report to Mr. Kierans; he didn't have to wait for Mr. Kierans to come and write it. So you know there's not a question of who wrote who. In fact I suspect, Mr. Chairman, the way it actually went was that the report was written you know long ago. After all the Planning and Priorities, Management Committee--I believe the Member for Crescentwood was active on that committee for a while--they had to have something to do for a while. The report that was tabled here by Professor Kierans was written, I believe, a long time ago. --(Interjection)-- However, the difficulty that this government was presented with --(Interjection)-- the difficulty that this government was presented with that to add credibility to that report they didn't really want to have it come from the Member from Crescentwood, or indeed even from the Minister of Mines and Natural Resources they cast about and looked about, now where can we find a credible capitalist, he has to be a millionaire, he should have been a president of a stock exchange somewhere, he should have been -- could we find even an ex-cabinet Minister? Yes we can find an ex-Cabinet Minister and one who has shown his effective administration in the massive operation of the post office.

A MEMBER: And a Liberal. And a Liberal.

MR. ENNS: Yes, but preferably somebody you know from another party . . .

A MEMBER: That's right. That's right. And a Liberal.

MR. ENNS: . . . you know so to lend credibility to the report. Well, Mr. Chairman, they found that sure they found that person, They found that person and as the Minister has

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(MR. ENNS cont'd) just indicated to me now, they have in fact implemented certain aspects of the report before the report was written.

A MEMBER: Before before, before we got in touch with Kierans.

MR. ENNS: Well all I say, Mr. Speaker, or Mr. Chairman, it kind of substantiates the admittedly . . . type speech that I was just making too.

A MEMBER: You voted for it yourself.

MR. ENNS: But seriously, Mr. Speaker, Mr. Chairman, the fact of the matter is that certain aspects of that document are being implemented -- the position that the mining community finds itself today in Manitoba is one that could only call for the most destructive type of an attitude that a corporate -- a corporation could take. They see that the future is severely if not totally limited. Place yourselves in a position of a corporation that has multi-millions of dollars investment in this province, that has been -- and that it is being suggested that it is going to be -- it has ten more years to operate in this province and then it will be a takeover situation. Mr. Chairman, what would you do in that position? You would exploit as viciously as you could. You know that there is no point in trying to even bring the kind of maintenance, keep the mines in the proper maintenance. What in effect the document that this Minister is going to have obviously a great deal of direction over as to its implementations, is going to be in effect a ten year period of grace for existing mining companies to take what they can with the knowledge that at the end of that period their position will be thus: that their very life blood will be cut off. --(Interjection)--

Now, Mr. Chairman, the member from the other side says "good". Well that's fine. I think this government -- I've never argued with the government having the right, having the right to pursue a policy that they have told the people of Manitoba they intend to pursue and then go about doing it if they have the necessary strength in this House to do that. Well, Mr. Speaker, you know the Minister of Mines himself indicated a position, a personal position, that he took and he objected to the kind of representation that the press gave him on that subject matter earlier on in this session, and he suggested very openly, and correctly in my judgment, that if the question was a matter of wilful carrying out of government policy to bring the mining industry into the public domain then it should be done openly through the front door, not through the back door, by compensation as it deserves to be done in an open and democratic society. Much more insidious is the -- are implied at least some of the suggestions within the Kierans Report that this can be done through the back door through punitive, punitive leasing rates on land, through legislative action and regulations by not renewing leases or by taking all leases, referring all leases, or cutting back severely in the collateral of leases in terms of sales. That is any time a sale is made it refers back to the Crown. Mr. Speaker, the mining community has a right, the people of Manitoba have a right, to know in no uncertain terms which direction this government intends to go . . .

A MEMBER: And they'll get it.

MR. ENNS: . . . to on the one hand . . .

MR. CHAIRMAN: Order please.

A MEMBER: After the next election.

MR. CHAIRMAN: The member's time is up.

A MEMBER: Oh you won't be around then.

MR. CHAIRMAN: Resolution (a) (2) (a) (1) -- The Honourable Member for Flin Flon.

MR. WALDING: . . . the Member of Lakeside from his remarks satisfied then that the people of Manitoba are receiving an adequate return of 2, 3 cents for every dollar of metal produced?

MR. CHAIRMAN: Order, please.

MR. GREEN: Mr. Chairman, I believe that when a member's time has expired questions are permitted only with the consent of the House, which I think we should give, but just so that we don't go into the bad practice that we used to have, we now have a rule which says that when the 40 minutes are up . . .

A MEMBER: Thirty.

MR. GREEN: . . . no questions are permitted unless there is consent.

MR. CHAIRMAN: Is this the will of the House . . .

A MEMBER: Yup.

MR. CHAIRMAN: Agreed? Order. On a point of order.

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(MR. CHAIRMAN cont'd)

Well one member has said he will not grant leave so I'm afraid I . . . the Honourable Member for Flin Flon. Point of order? The Honourable Member for Lakeside.

MR. ENNS: Just a very small point of order. I believe, Mr. Chairman, I have no quarrel with the rule but it would be helpful to all of us speaking, Sir, if you would give us a traditional three minute warning, or four minute warning, to let the members know when he's coming to summation whether or not he has three or four minutes remaining to speak.

MR. CHAIRMAN: I shall take that . . .

MR. PAULLEY: Mr. Chairman, I'm sure the Honourable the House Leader will recognize that he is in a peculiar spot because his estimates are under review at the present time and it could be conceived as House Leader he's in a peculiar position. I believe that the Honourable Member for Lakeside has raised a valid point that there was no indication to him, that I was aware of, that his time was just about up. I'm not faulting you, Sir, but I do think that in view of that fact under the new rules or the revised rules it makes, Mr. Chairman, that you may agree that now that we've come -- (Interjection) -- Quiet. Quiet. Now that we have come to this particular position that it might be practical for the honourable member to answer the question from the Member for St. Vital but let this be a lesson to all of us in the House.

MR. CHAIRMAN: Agreed? (Agreed) I must admit that I am at fault and I was so enthralled with the honourable member's delivery that I . . .

MR. ENNS: Just briefly the question put to me by the Honourable Member for St. Vital. The question is not a question of who is satisfied with what. Certainly a question of the amount, the return to the people of Manitoba through the --from the mineral resources is one that begs a great deal of answers. Questions of to what extent they can be changed, to what extent, at what rate of depletion do we want with respect to our mineral resources, and a number of other questions. I'm suggesting to you that you're asking people to continue to invest in this province; you're asking those people in all fairness to continue to operate in this province with massive investment in this province, that they should in as short a while possible after the publication of the kind of report that has been tabled in this House at the beginning of the period, the Kierans Report, that the people with this kind of investment in the province have a right to know what the rules of the ball game are going to be.

MEMBERS: That's right, that's right.

MR. CHAIRMAN: The Honourable Member for Flin Flon.

MR. GREEN: Mr. Chairman, the honourable member shouldn't be asked to speak at one minute to nine. Perhaps committee rise and move to the next item on the Order Paper.

MR. CHAIRMAN: Committee rise. Call in the Speaker. Mr. Speaker, your Committee of Supply has directed me to report progress and asks leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR - RESOLUTIONS

MR. SPEAKER: We are now on to Private Members' Hour. I do not believe there are any issues for debate in respect to private members' hour except private members' resolutions. Shall we take those? In order. The Honourable Member for Assiniboia I believe has the first one.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye . . .

MR. BILTON: Mr. Speaker, on a point of order . . .

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

MR. JAMES H. BILTON (Swan River): I wonder if the honourable member is in his seat.

MEMBERS: Yes, Sir.

MR. PAULLEY: Mr. Speaker, may I answer . . .

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: May I answer that question? The answer is, yes. The Honourable Member for Assiniboia did, out of courtesy, not occupy the seat that was assigned to him until such time as the condolence motion was passed in respect of the late member of this House, the Member for Churchill, the late Mr. Beard. He is in his proper seat and I appreciate very much the fact that the Member for Assiniboia did recognize to some degree tradition in this House.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I appreciate the opinion given to the House. I understand the change but it's a pity that those of us that didn't know had not been told that the change had been made.

MR. PAULLEY: . . . may be permitted to indicate to my honourable friend from Swan River and his googling friend from down in the southeast corner, that if he would look at the diagram of the seating of the members of this Assembly the answer is contained therein.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I think it should be pointed out that the Minister of Labour having his constituency in the gallery tonight is playing to the grandstands as usual.

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

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for La Verendrye; that

WHEREAS there is an urgent need in Manitoba for more and better housing; and

WHEREAS the most economical method and the most in keeping with our economic system is to allow each individual to make his own decisions regarding his housing accommodation, and

WHEREAS mortgage interest and taxes are already under the present law legitimate charges against income in rental accommodation; and

WHEREAS it is urgent that the Government do everything in its power to stimulate individual home ownership and home construction,

THEREFORE BE IT RESOLVED that the Government of Manitoba request the Federal Government to give urgent consideration to allowing homeowners to deduct mortgage interest and property taxes paid with respect to his home from his taxable income, and that the Government of Manitoba give consideration to the advisability of rebating the provincial taxes gained from this inequity until this plan is adopted by the Federal Government.

MR. SPEAKER presented the resolution as read.

MR. PATRICK: Mr. Speaker, perhaps I should say I hope I wasn't out of place by taking the seat today but I was instructed to move up to the seat because --(Interjection)-- No.

Mr. Speaker, this is not a new resolution, it has been before this House last year and I will not take too long to make my point. I know that the government will argue that the government has already solved the problem of high cost of ownership by rebating through the property tax rebate or credit rebate. I believe this is only a small measure and has gone in a very small way and perhaps the people that will really gain the most in the tax credit rebate will perhaps be our senior citizens. And I have no argument with that because I am sure, Mr. Speaker, the members of the government and all the members of the House will recollect that for at least the last seven to eight years I have presented a resolution to this House to reduce a certain amount of assessment, or remove the educational tax from our senior citizens who

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(MR. PATRICK cont'd.) are residing in their own homes. I've pursued that matter for at least the last seven or eight years and I was glad to see that at least some measure was taken last year through the tax credit rebate. I am not so sure that it will benefit as many people as I would like to see it benefit but I am quite certain that it will benefit many of our senior citizens. However it will not solve the cost or the problem of housing in this province. So I'm not totally asking the government to agree because I know the government will argue that it will be costly, the program; it will be a loss of revenue and I'm not asking for a total universal program in this resolution, Mr. Speaker, but I would like the government to agree to the principle and perhaps there could be a certain limit to who can get the tax rebate and the property or the tax -- the interest paid in respect to mortgage costs. So if there was a limit I think it would be a great assistance.

Because, Mr. Speaker, It's almost incredible that Canada, a country with a population of only 22 million people would have a problem involving land. I think there is a real shortage of serviced land and this is only one of the reasons that we have such serious housing problems, not only in this province but right across the country. So there are many other groups that are of the same opinion in respect to this resolution. I see that the Appraisal Institute of Canada just quite recently in a brief have stated that mortgage interest payments should be -- or mortgage interest charges should be deductible from federal income tax according to their studies that they have carried out. I have also noticed just last week there is a real serious problem in some eastern cities in Canada where the Real Estate Association, the Provincial Government and the City of Toronto has initiated a study in respect to shortage of homes and the high cost of land. I know that it would be perhaps almost certain to believe but I can quote you some figures what has happened in Winnipeg in the last four years and I am not going to attribute the cost to the present government because I don't think that is the reason, but the cost of housing has certainly increased by large proportions. I am speaking from experience. A home that sold in 1968 for \$16,200 sold last week for \$30,000.00. This is almost 100 percent increase. This is what is happening today in the City of Winnipeg.

A MEMBER: I thought you couldn't sell a house.

A MEMBER: . . . building too many homes.

MR. PATRICK: There isn't. There is a shortage of homes, Mr. Speaker. So . . .

A MEMBER: A good demand for them.

MR. PATRICK: On the other hand I know that the government has proceeded to build many low rental housing and I have stated before and I'll state again that we certainly needed low rental housing but I'm still of the opinion that it should be the people that should have the opportunity to own the homes and not the government. I see some comment made in the Throne Speech that there will be a start in this area and I hope that there will be because some of the other provinces have initiated this program and I understand it's working out quite well. But even with the large number of homes that the present government has built I still feel that there will be many people within an income bracket of \$4,000 to \$5,000 that they'll have very difficult times of owning their own home.

But surely, Mr. Speaker, I think that the governments, provincial, municipal and federal governments have to a great extent been responsible for the serious shortage of homes and the serious shortage of proper serviced land as far as housing is concerned. Because not only that we've put a sales tax provincially, we've put sales tax federally and almost put the cost of homes out of reach for many people. And it's an indication by itself when the cost of houses have increased by such a large proportion that it is very difficult for many people to be able to buy a home at the present time. There are still many people that wish to own their own homes, many people. I know that many reports that have been done and the research studies that have been carried out for the last four to five years and prior to that where many of the people in the low rental homes were interviewed and almost invariably all of them had stated that they would prefer to live in a home of their own. I know that there is such a thing as pride of ownership, people would like to have a home of their own. There's such a thing that there's no limit to the size of the family they can have when they're living in a home instead of a suite and they have only perhaps two-room apartments. They could have such things as a workshop in their basement, they can have a garden and there's many amenities that people do have by owning their own homes instead of renting. And what's happening in the last while that we are becoming a nation of renters instead of a nation of homeowners. There's such a thing that

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(MR. PATRICK cont'd.) property ownership builds a credit. Also I believe that people when they live in their own neighbourhoods in a home that they become more civic minded and as well they are building equity in a property of their own which they do not have the opportunity to do when they are not living in a property of their own.

So, Mr. Speaker, I can recite and give you many many reasons why government should give consideration to this resolution. I know that the government will perhaps raise many arguments and say that the problem is solved; and, Mr. Speaker, I say the problem is not solved. We have in my opinion almost a crisis on our hands as far as medium-priced homes are concerned in this province and in this city. I know that conditions in various parts of the province as far as our native people are concerned is perhaps much more serious than the conditions are as far as the City of Winnipeg is concerned. But I believe that the government can initiate a study to see just what the cost will be to move in this direction. And surely, Mr. Speaker, if this is what the government would undertake to do, the cost may be less than the massive large state-owned housing developments. Because I believe we can learn from the experience that the housing authorities in the United States have had to the present time where they have built large low rental developments, huge in fact and in a matter of eight years they had to go and almost bulldoze the whole developments down because they were not functional and they did not work out as satisfactory as the housing authorities in that country thought they would.

I think there's another factor too, Mr. Speaker, that any landlord may tell you that people care much more for a home of their own than they would in one that they rent; and I'm sure the government housing authority would concur with that statement. So, Mr. Speaker, these are some of the points that I wish to raise to the House at this time and I hope that the government will give some consideration as far as this resolution is concerned. As I said, I'm almost certain that the government will present arguments and say that they have solved the problem. In my opinion this is far from it, Mr. Speaker.

A MEMBER: Oh no, they wouldn't do that.

MR. PATRICK: What I'm asking in this resolution, Mr. Speaker, is that - all that I'm asking is that the mortgage charges, mortgage interest charges and property tax be deductible from taxable income. That's all what I'm asking, and as I said, Mr. Speaker, this may not be possible universally and at least I think this is a worthwhile consideration for the government and for this House to initiate a study to see what the cost effects would be and what the benefits would be and I'm sure that in the long run there will be many benefits, Mr. Speaker. I believe that this would make homes available to a great many more people because at least when they deduct property tax and deduct interest mortgage costs; I'm sure that this would be great benefit to many of the people that live in their own homes.

I know that we can say that this hasn't been done. That's not so, Mr. Speaker, because the United States is doing it at the present, it's done in there. I may also say that perhaps their tax system is much different from our system but surely, Mr. Speaker, that -- I know that the other point perhaps they haven't got as many social benefits in the States as we have and one may say that we will not have the resources to do this. But once again, Mr. Speaker, my point is that I believe that individual home ownership is a very desirable goal for all Canadians, for most people. With that in mind I have offered some suggestions and I hope that the government would undertake it very seriously. I am happy to say that after proposing the resolution for relief of education tax for our senior citizens for some eight years to this House and I believe that the tax credit will be of some benefit to these people. But I don't believe that has solved the problem as far as our property tax is concerned and I don't believe that it solves the problem as far as home ownership is concerned.

MR. SCHREYER: . . . permit a question?

MR. PATRICK: So I hope you will give this resolution a serious consideration. --(Interjection)-- Yes I will.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if the honourable member is directing his comments with respect to home ownership and home taxes and old age pensioners and their income -- would he agree that the combination of the school tax credit on a pensioner's home of \$140 minus one percent of taxable income, which wouldn't be much in the case of a pensioner, plus the change in the income tax and health premium tax of about \$100 a year, the two taken

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(MR. SCHREYER cont'd.) together it's about \$204 a year, would go a long way towards the problem he's talking about? And it's already done.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I have no argument, I am saying that definitely to our senior citizens it is of great help but it certainly does not help people, young people, to buy homes for themselves at the present time. Even with that consideration that the First Minister has mentioned, it certainly doesn't help our young people to be able to buy homes for themselves. My point is that if they'd be able to deduct the very high charge, interest charges which amounts to say perhaps \$1,200 or \$1,500 a year and

A MEMBER: Interest.

MR. PATRICK: . . . and \$400 a year property tax, and if that could be deductible from a person's taxable income it would go a long way, Mr. Speaker, for people to be able to afford to own homes and an incentive to try and have a place of their own.

MR. CHERNIACK: I want to ask a question.

MR. SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: I'm wondering, Mr. Speaker, if the honourable member would permit a couple of questions. Firstly, would the honourable member not agree that his resolution framed as it is would be of greater benefit to the higher income people in a rising scale, to people who have the largest homes with the largest mortgages?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: No, Mr. Speaker, because I've already repeated it at least five times that I would put a caveat and I would not make it universal. Perhaps we can put a certain figure, 20 - a ceiling of 25,000 or whatever it is. So I said --(Interjection)-- yes I do, yes I do. The resolution will not be perfect, I'm asking the government to look into it, I'm asking the government to do some research and see what the benefits will be. You never have a perfect program.

MR. SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Would the honourable member - I have a couple of questions. Would he not also agree that people of low income who pay little or no tax - and when I say little tax I include all those people who get a rebate now from real property tax and excessive tax - that they will not derive any benefit whatsoever from this proposal?

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: No, I wouldn't agree with the Member for St. John's because I believe that any family making more than \$6,000 a year will definitely have a taxable income and even if they can deduct \$400 property tax it certainly would be a great benefit to them.

MR. SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Mr. Speaker, I wonder if the honourable member believes that a person earning \$6,000 taxable income pays in provincial income tax \$400.00? --(Interjection)-- Oh. All right then I'll withdraw that. Then the only other question I have is assuming that there is a cost involved in this kind of a program would the honourable member suggest where other sources of revenue can be obtained to substitute for that, on the assumption that the honourable member is speaking on principle and not on an immediate program

MR. SPEAKER: Order, please.

MR. CHERNIACK: I didn't finish the sentence, just a sentence, . . . to a period.

MR. SPEAKER: Order, please. The question is not relevant to what the honourable member was discussing or debating. It is opening a new area of debate and much as I appreciate that it is important and relevant possibly, but it is not according to our rules. If the honourable member wishes to debate the question he is entitled to have his time on the floor. The Honourable Member for St. John's.

MR. CHERNIACK: If I could only explain my question and then if you would consider your ruling. The motion before us is that there be consideration given for debating tax. My question was: how would the honourable member propose to replace the tax by which revenues have been reduced assuming we're not talking about an immediate situation but a long-range policy?

MR. SPEAKER: Order, please. Much as I would like to have the honourable member answer the question, the honourable member is entitled to 20 minutes his time is up. The Honourable Member for St. Matthews.

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MR. WALLY JOHANNSON (St. Matthews): Thank you, Mr. Speaker. I am glad the Honourable Member for St. John's didn't ask any more questions, I wouldn't have had much of a speech left. I think he was using up all my arguments.

Mr. Speaker, in the early 1830s the . . .

A MEMBER: I remember it well.

MR. JOHANNSON: And the Member for Transcona should remember that. -- (Interjection)-- In the early 1830s in the Legislature of Upper Canada the Tories of that day introduced a bill which would have voted permanent salaries for the civil servants. It was called a permanent civil list. And the reformers of that day christened that bill the Everlasting Salaries Bill. I think we could christen this --(Interjection)-- no, I think we could christen this resolution the Everlasting Mortgages Bill because that is exactly what it would produce, everlasting mortgages. I'll explain that point later. --(Interjection)--

MR. SPEAKER: Order, please.

MR. JOHANNSON: The House is rather unruly tonight, Mr. Speaker. The first "whereas" of course we couldn't possibly quarrel with. This government of course has insisted that this was one of the most urgent priorities in the province, and we agree completely with the honourable member on that point. However we disagree with his method of achieving that objective and I would also disagree with the dogmatism which is contained in the second and fourth whereases. The member seems excessively dogmatic about the free enterprise system and about the principle of home ownership.

This government of course, Mr. Speaker, has shown its concern about the need for housing in the province. We began a massive housing program in 1970 and continued it in 1971 and we attempted to continue it last year but unfortunately the only area where we could build in this province was outside of Winnipeg.

A MEMBER: Why was that?

MR. JOHANNSON: Mr. Speaker, I'm really astonished to hear the Member for Assiniboia assert so decisively tonight the fact that there's a shortage of housing in Winnipeg because his friends in the ICEC majority in the City council don't seem to agree with him because they have sabotaged our housing program over the past year. It was impossible for the - it was impossible for the government to build more than a handful of houses in the City of Winnipeg last year. We were able to build a great many in the country. We were able to build a great many in the country and some were sold, and I'll comment on that later. I'd like to just point out the human consequences of this. I happen to come from the little town of Arborg in the Interlake --(Interjection)-- very good area.

A MEMBER: What happened to you since, Wally?

MR. JOHANNSON: Mr. Speaker, my grandmother lived in Arborg and --(Interjection)-- my grandmother lived in the town of Arborg and -- I am trying to be serious, I wish the Honourable Member for Lakeside would attempt to be so too. About six or seven years ago she was really no longer able to look after her own house and at that time there was no senior citizens housing development or senior citizens home in Arborg, so the result was that she had to move away to the town of Gimli where there happened to be a senior citizens home which is an excellent facility. But the consequence of this was that she had to move away from her family, from her children and from her grandchildren; it means that she doesn't see them as often as she would like to see them; and I think she suffered because of it and I think her children or grandchildren have too. The . . .

A MEMBER: Who suffered the most.

MR. SPEAKER: Order, please.

MR. JOHANNSON: The Provincial Government in the coming year is going to be building 20 units of senior citizens housing in Arborg. Now it comes too late to help my grandmother but it will mean that the older people of the town can stay in the town when they no longer want to stay in their own home, when they need a smaller place to live where it'll be easier --(Interjection)-- yes it will give them a freedom of choice. It will enable them, it will enable them to stay in their own home town, stay with their children and grandchildren. And this government is going to bring that about. And I should give credit to the Town Council. The Town Council in the Town of Arborg consists almost entirely of Liberals and Conservatives; very few NDPers in that Council. However, they have the interest of their town at heart and they were very eager to get senior citizens housing, they're also getting some public housing, some

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(MR. JOHANNSON cont'd.) family housing. And this will mean that the town will - at the end of this coming year the town will have 30 extra apartments and houses it didn't have before. It will mean that people can stay in the town and have adequate housing. And I must give full credit to the town council. They didn't put dogmatism first, they put the welfare of their people first. You can't say that for the Council of the City of Winnipeg. They put dogmatism first and to hell with the people. --(Interjection)-- You saw last night what they thought of the people in the City of Winnipeg. --(Interjection)-- Yes.

The other day I was visiting some of my constituents in the east end of my constituency where there's a lot of very poor housing and I happened to visit a young couple who have a baby. They live in an apartment that you could only call a slum. They have an application, Mr. Speaker, they've had an application some time with the Manitoba Housing and Renewal Corporation but there's a rather unfortunate problem. I'd like to help them but there is a waiting list of over 5,000, a waiting list of over 5,000 and it grows every day, Mr. Speaker. These people are going to have to wait two to three years at least. Now that's assuming that the City of Winnipeg at some point regains its senses and allows the housing program, social housing program to proceed. These people are going to have to wait a minimum of two to three years to get a decent house. I'd like some of you, some of the city councillors to live in the kind of housing that they're living in. --(Interjection)-- We began that but your friends on the Metro Council and ICEC have not been very co-operative on that either. Now, Mr. Speaker, there is a waiting list of over 5,000 in spite of the fact that MHRC does no advertising of its program, and the reason it does no advertising is obvious, because it has no housing to place the people in and it would be irresponsible to advertise.

I was talking about the human aspect of this, Mr. Speaker, and I would like to quote just a couple of statements that were made on application forms of people who were applying for housing from MHRC. They were describing their current accommodations and these are their own words and you can judge the kind of conditions in which they're now living. The first one: "The plaster from the ceilings were coming off. Bugs in the bathrooms and in suites. Ceilings were leaking whenever it would rain. Window frames rotten. Last year a three-year-old child fell from the second floor because a window came out of its frame. They replaced only the one window and they're all like that." That's one.

Second one: "We have no sewer facilities and the children must live, sleep in the same room as the chemical toilet. We have seen water rats in our backyard. Each winter our sink freezes and the waste water runs into our basement dugout. I am on seasonal work and cannot afford high rent for a better home. My yearly income is approximately \$3,000.00."

A third and last quote: "This house is very cold in the winter. The wind blows right through the cracks in the kitchen wall and it costs me more for heating each year." And, Mr. Speaker, I can quote literally hundreds of these.

A MEMBER: Mr. Speaker, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: I would request that the honourable member table that so that we could peruse it. Ask that it be tabled.

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

MR. JOHANNSON: Yes, I'm quite willing to give the honourable member a copy, no problem.

Mr. Speaker, the Honourable Member for Assiniboia is a great supporter of the concept of home ownership but there is a practical problem. When you get below a certain income level it becomes very impractical for a family to own a home because there are additional costs implied in home ownership and you can roughly figure them out. I think a conservative estimate would be perhaps \$45.00 or so a month and a number of extra costs like maintenance, landscaping, insurance, heat, water and so on. And I would also point out that over 80 percent of the tenants who now occupy the public housing dwellings of the Manitoba Housing and Renewal Corporation have incomes of less than 5,000. So that group is really a group that can't afford home ownership, even if it wished home ownership it would be very impractical for them to own homes. They can get far better accommodation in the public housing projects that we have and they get it far cheaper.

I would also point out that over 50 percent of the units that MHRC is building are senior citizens units. I'm sure the member isn't pressing for home ownership for senior citizens,

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(MR. JOHANNSON cont'd.) you are talking about family dwellings rather than senior citizen dwellings. So your criticism or --(Interjection)-- You want home ownership for senior citizens too, home ownership of apartment units, garden apartments, everything? Well . . . I would point out that MHRC at the present has a number of home ownership programs. All of the remote houses are sold to the tenants - not to the tenants, to the people who occupy them. The corporation sold a number of houses in Transcona, Charleswood and St. Vital and of course a new program will be implemented as soon as the amendments to The National Housing Act pass the federal parliament. This will provide a home ownership program with a subsidy provided both by the federal and the provincial governments. --(Interjection)-- Well I'd rather not comment on the program until the Minister brings in a bill, if such is necessary or until he makes the announcement.

Now the member did mention the fact that the United States has experimented with what he's recommending, and I'd like to quote from Business Week of 1972, May 27th, which comments on the American experience: "Investors lined up to take advantage of 90 percent mortgages and liberal tax shelters, construction cost write-offs, accelerated depreciation, deductions for mortgage interest payments, property taxes and operating expenses." So the Americans went beyond the Honourable Member for Assiniboia and provided additional incentives to home ownership. And let's see what happened in the United States. This is what happened. Families are cheated into buying defective houses, ones they cannot afford generally, generally stop making their payments and walk away from them. After all they have little equity to hold them back. HUD therefore has been forced to repossess thousands of dwellings. In some cases vandals do an average of \$2,000 damage per house. In many inner city neighbourhoods whole blocks are standing abandoned. In Detroit one two-block stretch contained 84 houses a few years ago of which 52 changed hands under federal subsidies. At present 24 of these houses have been repossessed, another dozen are in foreclosure and six have been burned down.

MR. SPEAKER: The Honourable Member for . . .

A MEMBER: Would the honourable member permit a question?

MR. JOHANNSON: Mr. Speaker, I'm running out of time and I'll answer questions when my time is up, please. The man in charge of the program, former Governor Romney guesses that within the next few years his department will have to take back a breathtaking 240,000 units with little resale value except at catastrophic levels of loss. The estimated cost of this program or this loss will be 2.4 billion. Subsidies, far from helping -- these are subsidies for home ownership -- far from helping, have hurt the inner city poor and the cities themselves. Subsidies provide the means by which remaining middle class families can sell their homes and move away. Too often the families that buy these homes cannot afford to maintain them and a process of neighbourhood deterioration gets underway. Equally important, subsidies leave completely untouched the problems of poverty, social demoralization and physical decay that plague many central city neighbourhoods. So, the result in the United States of this program, a massive program --(Interjection)-- Well the honourable member just brought up the American experience with their public housing project; and by the way the public housing projects that he is talking about involve projects like Fort Green in New York which has 1,700 units. Now the largest unit that we have in Winnipeg is roughly 100, so you're talking about projects that are 17 times as large and which are improperly financed. The American financing arrangements don't provide for the proper financing of maintenance and the result is that their large public housing projects have deteriorated into slums. It of course also becomes ghettos for certain racial groups - the American southern Negroes in particular. But the American experience with the subsidization of home ownership has been disastrous and some of the programs that they have been using were similar to the one that the honourable member is recommending.

Now one of the real problems with this sort of suggestion is that if you put additional funds into the hands of prospective home buyers and you don't increase the supply of homes, all you do of course is you drive up mortgage rates, you drive up the cost of housing. I think one of the achievements which we could have achieved had the City of Winnipeg not sabotaged our program would have been a relative stabilization of housing prices, but this hasn't been possible.

I would like to make one final comment. I know that the same kind of program that the honourable member is advocating is in effect in Minnesota, in Minneapolis and the experience

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(MR. JOHANNSON cont'd.) of the people there is that they tend to maintain high mortgages on their homes in order to of course take advantage of the income tax deductions. The only result that I can really see is the mortgage companies benefit the most of all. They benefit people — and I hope the Honourable Member for Rhineland won't support this resolution because he's not a man who supports going into debt and this resolution would keep most homeowners perpetually in debt to the mortgage companies.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Mr. Speaker, I don't wish to belabour this resolution at great length, however I'd like to rise in support of it. I'm very interested in this area, in the area of home ownership and I find it very fascinating to hear the honourable member from the other side. As he addresses himself to the resolution on taxes he convinces this House or at least attempts to, he attempts to convince this House that the real solution to the problem is public home ownership and I'm a little surprised to find that we are so oriented in that one direction. There is a possibility in some cases where public ownership of homes might be justifiable if not on a permanent basis at least on a temporary basis. However as a long-term program I cannot support the idea that our housing problems will be alleviated, solved, by a manner of public perpetual ownership.

I would even go further and suggest that if the Honourable Member from St. Matthews looked at even the programs they themselves have been involved with and some of those that they speak very highly of, are not truly all that successful in terms of housing maintenance. And I even suggest to you that the experiments that you quote from Governor Romney might well be a reality in some of our programs in Manitoba within the next ten years. -- (Interjection)-- Well my honourable friend says it's nonsense. Well I suppose to him it sounds like nonsense because by the simple fact that it's publicly owned it cannot deteriorate. And I suggest to you that some of the housing that has been done in the name of low rental public housing certainly has a semblance of a lack of permanent maintenance of high quality. Well I won't go into detail because the example I'd love to quote you is not in my constituency and I suppose it's not fair to accuse that which occurs in the constituency of my colleagues.

However, I would like also to address myself to the resolution more specifically because I feel that the Member for St. Matthews although he wanted to convince this House that the only solution is public ownership, the resolution does not address itself to that specifically. It addresses itself to the matter of paying income tax on mortgage interest rates and on property tax interest rates. What it amounts to really in the case of property tax it is suggesting to the Federal Government that it is unfair to tax people on the tax they are paying. And in fact that's what we're doing, Mr. Speaker, we're taxing people on the tax that they are paying and I don't think that is quite right. I find it strange also that in the manner of taxing or deducting taxes on income tax that a house that is not privately owned and lived in is eligible for tax deduction. If one owns a home but rents it to his neighbour it then becomes tax deductible on income tax. And I go further, Mr. Speaker, and I suggest that maybe we could work this very co-operatively and find a loophole here where if --(Interjection)-- Well if, Mr. Speaker, my house belonged to the neighbour and the neighbour's house belonged to me and we each rented each other's house we could get away without paying income tax on that property tax.

A MEMBER: That's right.

MR. GIRARD: Not that I am advising it, but I am suggesting that that is showing, Mr. Speaker, that we have some anomalies in this area and I think that one of the steps forward would be to look into this matter of taxing people on taxes that they're already paying.

I would like to also indicate that this particular system is working hardships on the very people that some of the members wish to help. We find because of the regulations put on by CMHC that interest rates in communities, especially communities that are not serviced by sewer and water, are higher than interest rates on communities where they are. This is a regulation CMHC has imposed because they don't make loans available to areas that are not serviced. So what happens, Mr. Speaker, is that that fellow in the remote community that builds himself a new home and owns it is faced with paying a high property tax because of the inequality in our property taxes, and I think I've spoken about that before, and is caught paying income tax on that inequality and is caught paying higher interest rates because he cannot get a CMHC mortgage. And I suggest that just to vote against this resolution and say no, we're not going to look into it is not really tangling with the problem. I suggest again that public

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(MR. GIRARD cont'd.) ownership is certainly not the simple best solution.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, just one question to the Honourable the Member for Emerson. Would he agree as a general rule that this problem, and it is a problem, of the rising cost of home ownership particularly a single private - single family detached - that the problem of its cost and the taxation thereon tends to increase in direct proportion to the size of the cities in which they are located in. That in Metropolitan Toronto, for example, the phenomena is as it is in Winnipeg plus a factor of point five or whatever.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: Mr. Speaker, I would not agree with that assumption if you look at the scale entirely. I think it would be true to say that there is an increase in the small communities, or we start at a higher point in the small communities but, as the city grows larger and I know the suggestion is made that it's a matter of speculation and it's a matter of people buying for capital gain, then I would agree with the Premier. I can realize that in the City of Toronto and the City of Vancouver, for example, that the cost of housing is much higher; but I wouldn't say that that is directly proportional to the size of the city, and that is not the only reason for it.

MR. SPEAKER: The Honourable Member for St. John's.

MR. CHERNIACK: Mr. Speaker, there isn't very much time left and certainly not enough for me to develop too much of my thoughts about this resolution which has very very many ramifications; and one of them I think is the one where I would like to know where the revenue will be obtained if it is reduced in the income tax as proposed by the honourable member. Of course he drafted the resolution, I'm sure he thought it through very carefully. He knew what he wanted to say one would think. So when he got up to say it he immediately found that there was some drawback in his proposal which really would benefit the big income people much greater than the others. Now he shakes his head. Whereas it seems to me that just about half an hour ago he was agreeing that there would have to be some sort of limitation or some variation which would not be beneficial to the high income people. But surely you must realize that the whole concept, and we've been arguing this for some time on federal-provincial level, that it would be much better to give tax credits rather than tax exemptions because the exemption system as we have it today is of greater benefit to the man who earns \$100,000 because of the bracket he's in. And the honourable member in his resolution, and one takes for granted that he means what he said, surely would realize that his proposal if it were accepted as such would be of greater benefit to the \$100,000 income man much greater than to the lower man, providing of course this fellow with \$100,000 is smart enough and will be smart enough to mortgage his home to the hilt in order to finance his business at the expense of his home and then he is able to carry on his business operation and deduct it from his home. Of course he can also do it from his business but this is one way and he can get it maybe both ways.

What I wanted to really speak - let me go back and say that it is not sufficient just to make a blanket proposal as he does without greater consideration by him because he says he's been bringing this up time and again so he must have thought it through carefully. Therefore I think it's incumbent on him to also propose how to make up the revenue which would be lost. Because clearly there would be very substantial revenue that would be lost and it means absolutely nothing to say cut taxes because you've been saying cut taxes all along and here you're talking in principle, principle carries forward a long policy, long program and there should be some proposal made. I am rather pleased that when the New Democratic Party was in opposition we were usually prepared to give alternatives and that's something that the Liberal Party has not yet done nor the Conservative Party, to give proper alternatives when they make these suggestions. --(Interjection)--

MR. SPEAKER: Order, please.

MR. CHERNIACK: Now, Mr. Speaker, I wanted to raise one other point which I want to raise on a philosophic basis because I don't think I have the answers, but I do think that it's worthy of consideration. There is a great deal of lip service played in this province by our people on all sides of this House that home ownership is desirable and should be encouraged. So I'd like to discuss that for the few moments that I have, because I'm not sure that that's right. I'm certainly not sure that it's wrong.

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(MR. CHERNIACK cont'd.)

But I want to harken back to my own experience as a practicing lawyer and report what most people may not realize, and that is the many estates that I have handled of people who have died in their seventies and their eighties whose children are self-supporting and in no need of any help, people who have starved themselves in some way because they were insisting that they had to make their mortgage payments, they had to get their house paid. This was their objective in life. My home should be clear of encumbrances. --(Interjection)-- The Member for Portage la Prairie agrees. And I have seen people deny themselves, I have seen people forbid themselves minor luxuries and proceed to invest in a home which they would never get the benefit from in terms of having it paid for. They would die -- and somebody is yelling "freedom of choice" and you tell me how much freedom of choice that man has when very often he is the speculator on the market; all of his assets are in the market at speculation. Because I too have lived through the Depression years as a lawyer, in law, and I have seen people lose their homes and all their savings at a time when the market had dropped. And these people across the road say "freedom of choice."

It is all very well to give a person a choice, to take his chance in crossing the street, but still we do have traffic lights and we even have offences, we even fine them if they cross against the red light, so freedom of choice is the kind of expression that only the people opposite are able to use glibly without knowing what it means and without having any comprehension, and without having any comprehension of the real factors involved. So with all this interruption, I'm glad I'm raising it because I hope we will be able to continue this discussion. I just want

MR. SPEAKER: Order, please.

MR. CHERNIACK: I just want to suggest that maybe it's not so important that a man should carry all his savings, all his motivation in life into paying for a home, knowing full well as experience has shown that when he dies he may leave a home worth \$10,000, and equity of 10, 8, 6,000 dollars, having denied himself to have it and when he dies his children who are not in need of it inherit something which he has denied himself to achieve. And the accomplishment of the Member for Swan River is that he has something to leave, some tangible evidence that he gave of himself in order to create something which nobody needs. And I've gone through so many estates where nobody needs it but you and other members are saying, this is highly desirable. So if it's desirable don't just say it's freedom of choice and don't just say it's up to him

MR. SPEAKER: Order!

MR. CHERNIACK: . . . as I am saying that you are encouraging people to think in terms of investing in land speculation and I am raising to you a question as to whether or not this is so desirable. I can see that all members present across the way are convinced that it is highly desirable, without discussing it, eh? The Member for Swan River won't discuss it, he knows. --(Interjection)-- but he won't because he knows the answer. The Member for Lakeside hasn't indicated he's prepared to discuss it, I hope he will when the time comes up. But meanwhile he's just saying "freedom of choice." If that's all it means to the honourable member then I would think he hasn't even thought it through.

MR. SPEAKER: Order! The hour of 10:00 o'clock having arrived the House is now adjourned and stands adjourned until 10:00 A. M. tomorrow morning.