

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Friday, June 4, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 25 students, Grade 6 standing, of the Crestview School. This school is located in the constituency of the Honourable Member for Assiniboia.

And we also have a number of Grade 6 to 10 students from Balmoral Hall, under the direction of Mrs. Theodore. This school is located in the constituency of the Honourable Member for Wolseley.

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

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

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to present the sixth report of the Standing Committee on Law Amendments.

MR. CLERK: Your Committee met on Friday, June 4, 1976, and considered Bills:

- No. 64 - An Act to amend The Civil Service Act,
 - No. 70 - An Act to amend The Mortgage Brokers and Mortgage Dealers Act,
 - No. 72 - An Act to amend The Change of Name Act,
 - No. 75 - An Act to amend The Public Health Act,
 - No. 76 - An Act to amend The Health Services Act,
- And has agreed to report the same without amendment.

Your Committee also considered Bills:

- No. 54 - An Act to amend The Teachers' Pensions Act,
 - No. 58 - An Act to amend The Civil Service Superannuation Act (2),
- And has agreed to report the same with certain amendments.

MR. SPEAKER: The Honourable Member for Logan.

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

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Public Works.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. RUSSELL DOERN (Minister of Public Works)(Elmwood): Mr. Speaker, I would like to submit a Return to an Order of the House, No. 1, on motion of the Honourable Member for Charleswood, and also a Return, No. 5, on motion of the Honourable Member for Morris.

MR. SPEAKER: Notices of Motion; Introduction of Bills; Questions. The Honourable Member for Roblin.

ORAL QUESTIONS

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister in charge of Lotteries. I wonder, Mr. Speaker, if the Minister could advise what firm steps he or the government has taken, or they propose to take immediately, to clean up the unfair advantages that prevail among ticket agents and ticket

ORAL QUESTIONS

(MR. McKENZIE cont'd). . . . sellers in the province.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development; Minister responsible for administration of Manitoba Lotteries Act)(St. Boniface): Mr. Speaker, I would refer my honourable friend to the Hansard of yesterday where these questions were asked and answered.

MR. McKENZIE: I wonder, Mr. Speaker, will the Minister advise the House, is he or the government now ready to listen to the opposition and if need be set up an enquiry to discuss this matter in further detail.

MR. DESJARDINS: Mr. Speaker, my honourable friend is again doing the same thing, trying to . . .he's half cocked, it's not any factual thing, and this is not a service to the people of Manitoba.

MR. McKENZIE: I wonder, Mr. Speaker, has the Minister read the papers lately.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, to the Minister of Health. Could he explain what section in his department is taking him to Israel on a trip?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: No section in my department, Mr. Speaker.

MR. WILSON: A supplementary. Could the Minister explain the purpose of his trip?

MR. DESJARDINS: Mr. Speaker, I don't know if it's really the concern of my honourable friend, but I have no objection of explaining. The Province of Manitoba is not paying, that's one thing.

MR. SPEAKER: The Honourable Member for Assiniboia.

COMMITTEE SUBSTITUTIONS

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to make a substitution on a committee. On Industrial Relations, the Member for Fort Rouge to replace the Member for Assiniboia on Industrial Relations.

MR. SPEAKER: Agreed? (Agreed). The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I should also like to make a substitution. I'd like to move that the name of Mr. Enns and Mr. Einarson be substituted for Mr. Ferguson and Mr. Watt on the Standing Committee on Private Bills.

MR. SPEAKER: Agreed? (Agreed). The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, with leave, on Public Utilities, the Member from St. Vital to replace the Member from Emerson.

MR. SPEAKER: Agreed? (Agreed). Orders of the Day. The Honourable Member for Wolseley.

ORAL QUESTIONS Cont'd

MR. WILSON: This is a question, I believe to the Minister of Mines, Can the Minister explain why there is no program for the City of Winnipeg pertaining to derelict cars in the \$160,000 program that he has?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, the program relative to derelict automobiles is essentially one which subsidizes the transportation of vehicles from places where it is not economic in the normal market to take them to the place that deals with them. It has been historical that the situation in Winnipeg is such that the amount that is being paid for the vehicles takes care of the cost of transportation. If that is not the case, Mr. Speaker, the program is designed to cover the Province of Manitoba and the City of Winnipeg will be looked at. That has not been the historical problem.

MR. WILSON: A supplementary. If scrap metal sells for \$40.00 a ton, why is the program costing the taxpayers any money?

ORAL QUESTIONS

MR. GREEN: Mr. Speaker, the honourable member's second question indicates the inapplicability of the honourable member's first question. The reason is that the transportation of the vehicle from certain distant points to the people who are dealing with the scrap metal is what has been a problem. That has been a traditional problem, and I believe, Mr. Speaker, that all members in the House unanimously adopted a resolution that we do this type of thing before the Honourable Member for Wolseley came here.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, to the Honourable Minister for Renewable Resources. I wonder if he's now in a position to inform the House when the contract will be awarded for the construction of the marine vessels for use on Lake Winnipeg.

MR. SPEAKER: The Honourable Minister of Renewable Resources.

HON. HARVEY BOSTROM (Minister of Renewable Resources)(Rupertsland): Mr. Speaker, as I indicated the last time the honourable member asked me that question, no decision has been taken on that yet. Just for his information --(Interjection)--

MR. SPEAKER: Order please.

MR. BOSTROM: . . .we did receive some replies to the tenders that went out. The tender documents that came back reflected prices that were not acceptable. So the decision is not to go ahead on those particular tenders.

MR. SPEAKER: The Honourable Member for Point Douglas. Sorry, the Honourable Member for Minnedosa.

MR. BLAKE: A supplementary, Mr. Speaker, to the same Minister. If the tenders received are not acceptable, does the government have a contingency plan to construct these vessels by some other method?

MR. BOSTROM: Mr. Speaker, we are investigating all possible alternatives at this time. I'm not prepared to indicate what course of action we will take as yet.

MR. SPEAKER: The Honourable Member for Point Douglas.

REV. DONALD MALINOWSKI (Point Douglas): Thank you. Mr. Speaker, my question is to the Minister of Industry and Commerce. Since today is the day of the inaugural flight of the Polish Airline from Warsaw to Montreal, is it possible to make arrangements for this flight to land in Winnipeg at least from time to time?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, this matter of landing rights by foreign carriers in Canada and the rights of Canadian carriers to land in other countries, of course is a matter for negotiations between the Government of Canada and various foreign countries with which we have air traffic connections. We have over the years attempted to persuade the Federal Government to increase the amount of international landings, or possibility of landings at the Winnipeg Airport, unfortunately without much success. I might say, Mr. Speaker, that the Federal policy is to use Mirabel, the Federal policy is to use Montreal as the main point of entry for foreign carriers, and the Member for Fort Rouge asked me a similar question the other day. We are going to pursue it as we have in the past. We certainly will look into the matter of attempting to have the Federal Government allow the Polish Airline to come to Winnipeg, particularly in view of the fact that there are many people. . .

MR. SPEAKER: Thank you.

MR. DOERN: . . .from Poland that might. . .

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

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. I wonder, Mr. Speaker, if by asking a question through you to the Honourable the House Leader, I can be asking that of members of the Fourth Estate to indicate to members of the public generally that Law Amendments meeting on Monday next, is it, or whenever it is, there are specific bills of considerable public interest appearing on that bill and I'm concerned that the public doesn't have an opportunity or has received very short notice

ORAL QUESTIONS

(MR. ENNS cont'd). . . . of the normal sittings of Law Amendments. I'm referring specifically to the Labour legislation and bills that will be dealt with at committee.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I announced that the Industrial Relations Committee was meeting on Saturday at 10 o'clock. I believe I made that announcement yesterday morning, and if I didn't include the usual request that we have the usual co-operation of the media, then I'm sorry, but I believe that most of the people who are interested in this bill know that the meeting is being held. But, Mr. Speaker, the general public, there may be many who are interested that we do now know of and certainly we would hope that they are aware that the bill is being considered by Industrial Relations Committee tomorrow morning at 10.

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

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Honourable Minister of Renewable Resources. Can the Minister indicate the action taken in response to the wholesale slaughter of cow moose in the Cowan area and elsewhere throughout Manitoba?

MR. SPEAKER: The Honourable Minister of Renewable Resources.

MR. BOSTROM: Mr. Speaker, I would have to take the question as notice if he's referring to a specific incident in Cowan, it's not one that's come to my attention.

MR. BILTON: I thank the Minister for his opinion. But he must remember the petition. . .

MR. SPEAKER: Question please.

MR. BILTON: . . . he got from Cowan some months ago.

MR. SPEAKER: Question.

MR. BILTON: I'm asking him to give a response to the House as to whether or not he's taken any action, Mr. Speaker, on the petition he received some months ago from the people of Cowan insofar as the slaughter of cow moose were concerned.

MR. BOSTROM: Mr. Speaker, the incident does come to mind. I'm sure the department personnel have investigated it, and I don't just recall the details of the incident, but I will take the question as notice.

MR. BILTON: Has the Honourable Minister been in touch with the people of Cowan that submitted that petition, or has he not?

MR. BOSTROM: Mr. Speaker, I have not been in contact with them directly, but I'm sure as I say that the incident has been investigated and it has been rectified.

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

COMMITTEE SUBSTITUTION

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to make a change on the Industrial Relations Committee. I'd like to substitute the name of the Member for Fort Rouge in place of the Member for Assiniboia.

MR. SPEAKER: We've already had that message I believe.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would honourable members note that there have been two bills delivered and I would wonder whether, after we deal with the other matters on the Order Paper, they would respect the Ministers' right to introduce these bills for second reading. Mr. Speaker, would you proceed with the bills on the Order Paper, and then there will be two Bills given second reading.

THIRD READINGSBILL NO. 21 - AN ACT TO AMEND THE CONDOMINIUM ACT (2)

MR. SPEAKER: Thank you. Bill No. 21, Third reading. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I adjourned this bill for the Leader of the Party, the Member for Riel.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Opposition)(Riel): Mr. Speaker, my remarks will be very brief on this bill. I want to say, with it going to third reading, that I think the bill will go part way into anticipating some of the problems that may arise from condominium conversion. It may not go as far as the mover of the bill thought it might go, but it is to some extent anticipatory in nature and shouldn't perhaps attempt to address itself to all of the problems. At this stage of the game, although I expressed under Condominium Act No. 1 some concern about the problems arising from conversion and some reservation about this particular Act, Mr. Speaker, as I say, my feelings at the present time, having looked at it and having listened to the debate at second reading, and the contributions made there, it will at least go part-way towards ameliorating some of the problems associated, I fully expect that this won't be the last time we see amendments to this Act over the next period of a year or two.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker. Yes, would you proceed to Bill No. 59 and the bills following on Page 2 of the Order Paper.

ADJOURNED DEBATES - SECOND READINGS

MR. SPEAKER: Proposed motion of the Honourable Minister of Tourism and Recreation. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I would like to have the matter stand.

BILL NO. 79 - MONEYS FOR THE FISCAL YEAR

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. This morning, Mr. Speaker, when I came into the Chamber I found distributed on my desk a pamphlet which I believe comes from the Minister of Health and Social Development regarding Manitoba Children's Dental Program. There's not too many pages in the book, Mr. Speaker, but being of fairly stiff paper the thing opened up at the centre and I was rather intrigued by a picture that appeared there dealing with pictures, and it says "Once a year we take pictures," and it refers to the Dental Program that is going to be carried out by the Province of Manitoba in the coming year; and in this particular year I believe it'll be dealing only with six-year-old children in certain areas in the Province of Manitoba.

It says that X-rays are necessary, and it says "Modern equipment and methods make it safe for everyone." Well, Mr. Speaker, I think it's bad enough to be publishing untrue statements in government propoganda, but I think it's even worse when that particular statement deals with the health of children in the Province of Manitoba. I have checked with radiologists in the province, I've checked with medical authorities, and they tell us that no radiation equipment today is absolutely safe, that they have developed new types of equipment which have minimized to some extent some of the dangers from radiation, but again I reiterate, they are quite concerned, they say that no equipment today is absolutely safe, that they have attempted to make it as safe as possible.

But here we find a dental health program being carried out and we don't know who's going to be administering it. But they tell us in this pamphlet that X-rays will be taken of all six-year-old children's teeth, they say it's necessary about once a year to do that; and if it is necessary for them, I just wonder if the Minister, in supporting a program like this, has considered the health safety of the children that are concerned.

I think, Mr. Speaker, there's a real danger and a real tendency when a person gets involved in a particular program, where they become so involved

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(MR. GRAHAM cont'd) about the health of the children that they may adopt certain programs that may be detrimental to the general health of the child. If X-rays are dangerous to the health of an individual and medical authorities precautions indicate that they are, and we do know that radiation is of far greater concern in growing children than it is in adult persons, I just wonder if the Minister of Health considered all of those implications when he has prepared a pamphlet which says that "Once a year we will take pictures."

We do know that in cases where there is concern for a particular tooth, that dentists in the past - and I'm sure they will in the future - if there is sufficient doubt in the mind of the dentist, he will order an X-ray. And I'm sure that the dentist when he makes that decision, has considered the total health of the person involved. Now if it is a dentist who is ordering all the X-rays that are taken, and he is fully qualified and is fully knowledgeable about the total health, I would have somewhat less of a concern in this particular case, Mr. Speaker, because I don't think, I don't think that a dentist - and I'm not a dentist and I haven't talked to a dentist on this - but I don't think he would order a massive X-ray program of every child's teeth in the province. But maybe some dentists do and maybe the dentists that are employed by the Department of Health in this province feel that way.

But then there's another possibility, it may not be a dentist at all that is going to order these X-rays taken. And I would like the Minister of Health to tell us exactly what they plan on doing. The little booklet doesn't tell us too much. He says in the booklet, once a year we'll take pictures; he says X-rays are necessary, and he says X-rays help the dentist to see hidden decay between teeth; then finally he says children like to look at X-rays and we'll show the children the pictures we've taken. Now when the Minister tells me he'll even show me those pictures if I want to see them, then I become concerned because I always thought medical records were fairly restrictive and should not be shown to everybody in the province. But when the Minister tells me he'll show them to anybody, then I become concerned. --(Interjection)-- Oh, he's only going to show them to me. I'm going to be a privileged person. Well, Mr. Speaker, I want the members to know that I don't want privileged status in this province.

But I think the Minister has to do a little bit of explaining here about what program he intends to carry out in the care of the teeth of the children that are going to come under this program. Now if they have fully weighed the advantages against the possibility of causing bodily harm to the individual by radiation, then I will accept the Minister's word for it. But I want him to tell me that all the precautions and all the studies have been done before the decision was made to X-ray every child's teeth in the province.

Sir, that is my number one concern when I read this pamphlet. I'm sure there are others, when the program gets into operation, that may have some very praise-worthy remarks to make about it. But at this time I have a little concern about the potential damage that could be caused through a massive X-ray program.

Thank you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, there's one item that I wanted to speak on while we're giving final consideration to the supply and finance of the government. It's a topic that's been discussed in the House before but not recently, and I want to make some final comments about the problem of housing the Province of Manitoba, because not only is it becoming more severe compared to the last time we talked about it, but I think there are some special problems beginning to emerge as a result of fairly recent events.

Speaking to the general question of housing, Mr. Speaker, when we discussed this in the Minister's Estimates in the opening part of this session, there seemed to be some assurance or at least commitment given by the Minister of Urban Affairs responsible for Manitoba Housing, that in fact that while he admitted that the housing performance in the province in the last few years was not very good, that we would do much better this year. In fact I think the problem was understated because in 1975, just looking at the most recent CMHC statistics, Manitoba had the worst record of any province in Canada in terms

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(MR. AXWORTHY cont'd). . . . of housing starts. I know that the First Minister is very fond of taking statistics and comparing them across the country, well there is one that he should take a look at because we are the only province in 1975 to have built less housing in '75 than we did in 1974. We are the only province, in fact, to have a net decline over 1974, we're the only province in fact. So, Mr. Speaker, when we use comparative statistics, I think that one is certainly very telling in that particular area.

But let's leave that, that was the place where we started from. When we came to discuss the Estimates of the Minister of Urban Affairs, we said, okay that's the situation as it now exists, what are you going to do about it? He said well look, we've got this big big program going, we've got \$70 million that we're going to pump into public housing and government sponsored housing, and this will provide the up-kick, this will provide the impetus that's required. Well, Mr. Speaker, we had no choice but to take that statement at face value. And I would simply want to raise the question now, I don't think the government, the \$70 million is really going to be spent, that at this stage in time, and I don't have the fully comprehensive analysis that I'm sure the government could provide, but the summaries I've taken, I would say that less than 50 percent of that money has been taken up and yet we're now right into the midst of a major building season where most commitments are made.

So I would simply suggest, Mr. Speaker, that if we're relying upon that \$70 million program to be a stimulant for housing construction, particularly in the low and moderate income field, then we are going to be shortchanged. And I'm not saying that it is lack of management or anything else, that there may be a number of circumstances to explain it, but I still think it goes back to the basic fallacy of the government's housing program, and that is, that they are really only going to concentrate the major focus of their resources in the public housing field. And while they're prepared to dabble and dabble in some of the other options, that they have not provided a variety enough programs and have so concentrated in one area, that if that one area doesn't work, then they are left hanging and so is the rest of the province which needs added housing construction.

And, in fact, Mr. Speaker, it was interesting that a report that was just prepared in British Columbia for the British Columbia government, CMHC pointed out that they felt it was far more advantageous and productive to put a heavy reliance on a rent supplement system than a public housing program in terms of encouraging the wider spread use or development of accommodations for low and moderate income people. We have simply made only gestures in the area of rent supplements in this province. If you look at the report of MHRC, the rent supplement program is really only a tidbit, it's not really a program, it's simply a little taste of what might be happening.

So I'm simply suggesting, Mr. Speaker, at this stage in time - and I would certainly be satisfied if the First Minister could indicate that the soundings that I've taken in fact are not true. I'm not saying that, you know, these guys have sort of fumbled again, but I am saying we're now at the beginning of June at a time when the building season in this province in particular must be reaching its zenith, in fact it really is a little bit too late at this stage, because most of the commitments are made earlier, in April and May, and in fact from the kind of discussions that I've been able to have with people in the building industry, they suggest that less than 50 percent of the money has been taken out. But it may even be lower than that. And therefore, Mr. Speaker, I raise it as a real concern in terms of the general issue of housing because if we have to go through one more year of building less housing than the normal demand would require and compound that with a very bad year in 1975, and a poor year in 1974, and a not so hot year in 1973, if you put all those things together, that, Mr. Speaker, the squeeze and pressure on the housing market will be so severe that even with rent control and everything else, we'll be building up high inflationary pressures, we'll be making it very difficult to get proper accommodation for people who need it, because there simply won't be that many places to go.

So in a general way I'm raising the issue at this time to say are there alternatives that the government has in the housing field in terms of taking a look at the capital commitments that they've made, and the expenditures that they're predicted to make, to

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(MR. AXWORTHY cont'd). . . . determine whether if the Public Housing Program is not going, if it's not getting the starts that they need or the sites of location, whether that money can be reallocated into other areas, whether it can be, for example, an attached arrangement to some of the AHOP or ARP programs, which some of the other provinces are doing, things similar to what's happening in two or three other provinces where the provincial governments provide assistance in the acquisition of the land and then lease back, or sell back and recover their value that way. Anything to kind of get the starts going, particularly in critical areas.

Mr. Speaker, for my general proposition, I want to speak of a very specific one, because it has come to my attention recently and it may be that the Minister of Consumer Affairs might be interested in. But really, we have had a convergence of other kinds of events taking place in the last two or three months. One of these is obviously the rent control measure, which always has, at least in its initial phase, a depressing effect on commitments.

The other, which we haven't paid much attention to in this House, is the beginning of a more serious application on a City of Winnipeg level of the maintenance and occupancy by-laws and the safety by-laws, both of which were designed for a very good and very legitimate reasons. But what is beginning to take place, Mr. Speaker, is this, that when you combine an inspector that goes into an older apartment block or an older rooming house or an older building, and says you must fix up this and bring in this new equipment, provide for these safety features, what's really beginning to happen is that the additional cost to the owner is such - and I know of one case where it's close to \$30,000 or \$40,000 - he simply says, I'm just going to get out of the business. I think we are on the verge of having that phenomena that's happened in other cities, of the abandonment of older buildings, and as that begins to take place, then, Mr. Speaker, we really are in trouble, because it means that older accommodation provides in many cases some of the most satisfactory residences for older people, for those on lower income, in so many areas where they've been able to get by.

We have taking place right now I would say, I think the City of Winnipeg estimated that there was some 15,000 units that they hoped to inspect within the next year or so. A large number of those can be expected from the kind of preliminary reports to require very heavy improvements or repairs or rehabilitation to bring them up to the standards, and yet, Mr. Speaker, there is absolutely no assistance being given to those owners of those apartment blocks or older buildings to bring them up to standards, and therefore if they're in a situation where they are balancing off their costs and their benefits, they are simply going to say it's better for me to knock the building down and put a parking lot in, or abandon the building and just simply take it out of the housing stock. If that takes place, Mr. Speaker, the shortages that we're now experiencing, particularly in those older areas, will become far more severe. And I would suggest that while I wouldn't say the problem is yet widespread, I would say there is increasing evidence that it is becoming so. I think in part, Mr. Speaker, there is a responsibility in this House as well as in the city, because I personally, I know the Minister of Labour has been anxious that we upgrade safety features in our apartment blocks, and I don't think anyone argues with that. But what we haven't done, is we haven't paralleled that, or complemented that with any way of ensuring that the additional cost of those features or equipment would in fact not come to a point where they would provide such a deterrent that people would simply move that accommodation right out of the stock itself and compound the problems.

So what I am suggesting, Mr. Speaker, is this, that again if, in the commitments of capital and expenditures the provincial government has right now, they don't feel can be mashed up with enough CMHC funds to get new starts going, then I would suggest that that money go into a program of providing ways of either purchasing those older blocks that should be taken out of the stock, or providing assistance to non profit groups for the establishment of co-ops or condominiums in those groups owned by the tenants or the owners or to provide some assistance to the owners themselves for repair and rehabilitation to keep those kinds of units in the housing stock, because, Mr. Speaker, it is just as important to keep the units that are already in the stock as it is to build a new one. It doesn't gain you anything to say that we're interested in getting new starts, if on the bottom end

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(MR. AXWORTHY cont'd), of the scale you got housing coming out the bottom end, being eliminated.

And so, Mr. Speaker, if as I suspect, that we are running into a problem of getting the kind of housing acceleration of construction that we have been promised and had hoped for when this session opened - and we now should have a pretty good idea because as I say, we're well into the building season - then I would suggest at this time that the government be prepared to take a look at the problem of the older buildings, the extra costs that are being imposed because of the new by-laws on the City of Winnipeg level, and because of the kind of cost burdens that will be occasioned due to the rent control, and determine whether in fact that should be a market that financial assistance should be introduced. And as I say, it could be introduced in several ways. They could either be purchased by Manitoba Housing and used as part of the public housing stock, the province could purchase part of the unit as they do in Ontario, or they would purchase the land component and then lease back to a non-profit church, charitable organization which is in the housing business. They could provide a low interest loan for the rehabilitation or the repairs themselves, so that the owner could maintain ownership, or they in fact could provide some of the start-up capital so that some of the tenants whose blocks are being sold out from under them may want to use it to set up a co-op arrangement or some other form of non-profit arrangement. Now those would be the options by which that money could be used and in fact, Mr. Speaker, even if the money isn't there I would suggest that maybe it should be. Because if it isn't, we are going to have a really severe problem of not only losing in the total number of housing units, but losing a particular strategic area of housing, housing that is particularly compatible and useful for people in the older parts of the city; and in those cases, housing which is particularly suitable for older people, for younger people who are unmarried, and people who are on lower income who are not able to afford the high rents of the newer, more luxury, upper and middle income apartment blocks or new single family homes that are being built.

So that is a strategic area of housing, it's actually essential that we keep it in the stock and I'm afraid, Mr. Speaker, that what's happening now is that a number of those units are going to be eliminated or closed down or demolished and as a result we will be in even more severe problems next year. So I would simply offer that observation if you like, Mr. Speaker, to the First Minister in the absence of the Minister of Housing and hope that the government would be prepared to take some steps, both to assess what is taking place in that older housing market and see if the government will take steps to rectify it.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: Is the Honourable Member for St. James prepared to go on Bill No. 30?

MR. GEORGE MINAKER (St. James): Mr. Speaker, if the Minister's in the House, the Honourable Minister of Mines, we'd do that.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, on a point of order then, Mr. Speaker, if I understand the member correctly he would prefer to wait in the event that the Minister is back and nothing is lost, Sir, because I have a bill here to proceed at second reading stage, by leave, and that is Bill 69 which has been distributed.

MR. SPEAKER: Very well. The Honourable First Minister.

BILL NO. 69 - AN ACT TO AMEND THE LEGISLATIVE ASSEMBLY ACT

MR. EDWARD SCHREYER (Premier) (by leave) presented Bill No. 69, An Act to Amend the Legislative Assembly Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, Bill 69 is on no particular theme, it is a compendium of separate sections dealing with very different, aspects of the Legislative Assembly Act, and so I will have to deal with the subject matter on an itemized basis.

In Bill 69 which is four pages in length, one of the provisions is to attempt to clarify by means of further amendment to Section 19(c) those cases where it would be permissible for a member of this Assembly to avail himself or herself of programs offered by the Crown of a universal nature which clearly it has been the traditional provision of the law that a member of parliament or of the Assembly would not be precluded from availing himself or herself of any public program which is clearly intended to be universal in nature, such as the Wheat Board Act or the Crop Insurance or Health Services, etc. Unfortunately it is one thing to strike that general principle and then to try and give effect to it by means of specific enumeration of exemption, such as we have done in Section 19 (c). Invariably however, Sir, from time to time cases arise where it is felt to be unclear by some members more than by others, as to whether the availing by a member of any given program is within or outside of the already stipulated exemption provisions.

So in effect in this Section 1 of the Bill we are attempting to lay down a general guideline by means of a numerical formula, and in the event that there is cause for uncertainty even in that light, then Section 2 provides for a referral to the Committee of Privileges and Elections which is constituted of members on all sides of the House, and that is, I believe, a commonsense safety valve.

The other part of this bill has to do with the updating of the provision for payment to be made to the Deputy Chairman of Committees of the Whole, and that is being increased to a grand total of \$1,250. There is also here provision which I think will meet with the concurrence, I would say indeed the enthusiastic concurrence of the Honourable the Member for Morris, relative to the tenure of committees of this House intersessionally.

There is also provision in this bill to deal with an anomaly - I believe it to be an anomaly - that any member of this Chamber who did not exercise the right to contribute into the Legislative Assembly MLA Pension Plan would be allowed to do so on a basis that is retroactive so as to establish eligibility upon payment of the arrears plus interest. If we do not pass this section I feel we are faced with the anomaly that once the deadline is passed the person is unable to establish eligibility and that seems to me to be rather a departure from common sense.

There's also a provision in this bill to provide for the payment of a superannuation to a former member of this House, not only to his widow which is already in the law, but to surviving dependants to the age of 18 in the event of the death of the hitherto surviving spouse, the dependants up to the age of 18, or if in an accredited secondary or post-secondary institution then beyond the age of 18. That I believe to be consistent with the provision in other provinces and I believe with the Civil Service Superannuation Act itself.

The last substantive part of this bill is to remove what sometimes is colloquially known among ourselves as the Cowan Amendment. Honourable members opposite may know what is meant by the Cowan Amendment. --(Interjection)-- Cowan, C O W A N. That is the prohibition in the MLA superannuation legislation precluding members of the bench, the magistracy, and also of the Senate in the House of Commons. I believe that that feature was unique in Manitoba. We are recommending the removal of it and this puts it more or less on par in that regard with the other jurisdictions in Canada including the Federal.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I move, seconded by the Honourable Member for Arthur, that debate be adjourned.

MOTION presented and carried.

BILL NO. 30 - THE CONSERVATION DISTRICTS ACT

MR. SPEAKER: The Honourable Member for St. James on Bill No. 30.

MR. MINAKER: Thank you, Mr. Speaker. I appreciate the House allowing me to hold my comments until the Honourable Minister of Mines and Resources was in his seat.

I primarily adjourned the debate on third reading, Mr. Speaker, because during debate on second reading there was a concern voiced by some of the members on this side with regards to a particular section in principle in the bill - at least that was our understanding, that it might be a principle - where the Lieutenant-Governor-in-Council could decide on which Act would have the jurisdiction over the operation or possibly - I don't know, not being a lawyer, the technical words to use - but would have the say in the matter of what Act would prevail. Our concern was at the time that if a city or a municipality or a person wanted to take legal action against the Crown because of this Act or because of something happening to him due to this Act, that they would claim they had jurisdiction on another Act, that the Cabinet would have the say and final decision. In discussions with the Honourable Minister and in answers supplied to us - and I thank the Honourable Minister for supplying the written answers - I wanted to make sure that it was clarified that this particular section, it is our understanding, Mr. Speaker - and we're referring to Section 15 of the Act that deals with resolution of conflict with other Acts - that this particular section will only apply when there's dispute with regards to the administration, the internal administration of the government in implementing a scheme.

If for some reason the Mines Minister is proceeding with a scheme and it starts to conflict or in the opinion of the Minister of Agriculture it conflicts with his particular department's responsibility, then this and only this clause would apply at that time. It would not apply for any other reasons other than administration. So that in a case where there was a dispute between Ministers or Ministers' Departments that the Lieutenant-Governor-in-Council, the Cabinet, then would decide which Act would have the jurisdiction over the dispute. And it's my understanding that the Minister has advised that this is the fact and I would hope that the Minister will confirm this in his closing remarks, that it only applies to the administration within the government itself. It would not apply if a person, a municipality or city had legal disputes with the Crown. I hope that the Minister will take time to comment on this and I would appreciate it if he would.

In general we have no objections to the remainder of the Act. It was just this concern of whether this was now a new precedent being set and in conversations with the Minister he has confirmed that it is not and it strictly pertains to internal administration responsibilities. Thank you.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I would move, seconded by the Honourable the Minister of Agriculture, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, just so that the honourable member is aware, I'm looking at the section; I'm looking at the note that was prepared for me by the administration, I believe that that is what is supposed to happen and I want to make sure that that note is not incorrect and that any other interpretation can be drawn. So I'd like to deal with it on that basis.

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

MR. GRAHAM: Mr. Chairman, if the Minister moves adjournment that would be closing debate.

MR. SPEAKER: Not on third reading.

MR. GRAHAM: No.

MR. SPEAKER: Proposed motion of the Honourable First Minister, Bill No. 87. The Honourable Leader of the Opposition.

MR. CRAIK: Stand, Mr. Speaker. (Agreed)

BILL NO. 90 - THE PROVINCIAL-MUNICIPAL TAX SHARING ACT

MR. SPEAKER: Bill No. 90, the same proposer, The Honourable First Minister. The Honourable Member for Riel, the Leader of the Opposition.

MR. CRAIK: Yes, I intend to speak on this, Mr. Speaker, providing I can find my notes.

Mr. Speaker, Bill 90 deals with two major matters. One is the matter of tying the financial support to the municipalities to a formula tied in with the income tax, personal income tax and corporation income tax. The second feature that it provides for is for the possibility of a municipality to set new forms of taxation in their own particular areas with the approval of the Cabinet.

Mr. Speaker, a year or so ago there was a meeting sponsored by the City of Winnipeg bringing in all the urban and rural municipal people to try and bring some focus on the problem being faced by local governments, of a municipal type, in financing their increasing costs. They made the very legitimate point that over the period of the last few years the province's income had risen very rapidly over a period of about six years, the spending and income. It had risen roughly from 300 and some million dollars to a billion dollars over a period of six years and 60 percent of that amount was tied to growth taxes. Therefore the province had found itself, comparative to the municipalities, in a windfall position because their sources of revenue were the growth tax sources. While during the same period of time the municipalities were stuck with their traditional source of financing, namely the realty tax which in the same period of time of course had remained relatively static. Therefore the amount of money raised from the individual property owner was the primary source of funding and therefore the city on the one hand was restricted but on the other hand, to the amount he was not restricted, it was borne principally by the property taxpayer. All the municipalities and the cities are of course hurting under this restriction. Principally the result of Bill 36 of this Legislature a few years back that amalgamated the different cities of the area of Winnipeg brought about significantly increased costs through the amalgamations concerned and the City of Winnipeg found itself, through that bill and that action by the Provincial Government, as well that their costs had risen substantially. They documented all of this in representation to the Provincial Government and requested some assistance.

It's worthwhile to note that in the City of Winnipeg, as an example, the biggest expenditures are first of all, fire and police at 21 percent; public works and operations at 20; and then the third largest, following that, the third largest charge of the city is debt charges at 14 cents out of every dollar. So the city has found itself in the position of having to borrow more and more money to sustain its operations to the point where they find that their third largest cost in the operation of the city is to pay the debt charges on borrowed money. They make the case legitimately that the problem is that the property tax base is not adequate to offset their increasing financial cost.

They also make the case in their representations to the Provincial Government that the problems that are befalling the urban areas of the United States and principally the type of situation that has developed in New York City is not an impossibility in the urban areas of Canada that do not receive adequate sources of financing somehow tied into growth taxation. Mr. Speaker, although we perhaps don't think of it as being a possibility of happening here, the city has pointed out that what is happening in the large American cities can happen just as rapidly in Canada as it's happening in the States. One of the more interesting things that has come out this year is that the government and the City of Winnipeg, which has brought public attention to the fact that they have achieved a very high rating by some of the financial rating houses, a double A rating, it's interesting to note that the City of New York only a short three years prior to its being on the edge of bankruptcy also had the same sort of a rating. In that period of three years they had gone from what looked like a very solid financial rating down to the depths of being on the edge of bankruptcy. All of this we perhaps look on and regard as being impossible in Canada. But the City has pointed out to the Province in their brief, as a result of the meeting of the municipalities and the cities, that this too can happen in Winnipeg and can happen in other cities in Manitoba and in Canada.

Well that brings us to the first part, Mr. Speaker, of this Act, Bill 90. Bill 90 would appear or purport to solve, be a measure to solve this problem of the municipalities

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(MR. CRAIK cont'd) not being tied in to growth taxes. Mr. Speaker, in actual fact what Bill 90 does is to essentially pay to the city and to the municipality the same approximate level of dollars in per capita grants, that would go to them in per capita grants, by taking the \$12 million, \$12 per capita to \$17 per capita and upping it that amount. But rather than giving it as a per capita grant which can be done by direct action by the government, and still calling it a per capita grant - the money still comes in out of growth taxes and other . . . - the government has decided that it will take the same amount of money roughly, \$17 per capita, and it will equate that to a percentage of personal income tax, two percent of personal income tax, one percent of corporation tax and let it show as being that. So what is happening is that the municipality don't get any more financial support if this becomes a reality, but what they do is they are now, with the Provincial Government, sharing the responsibility of going to the primary source, the taxpayer, on his personal income tax form or on his corporation tax, where there will be an entry that says, Provincial Government 40.5 percent, Municipal Finance 2 percent for a total of 42.5 percent. Well all it does is shift the responsibility for someone having collected the 42-1/2 percent on personal income tax. So it really amounts to very little more than window dressing.

The city has pointed out to the province in its brief that they would have to raise the percentage of growth tax to some 10 percent of the personal growth tax in order to adequately finance the municipalities. That's what they've indicated to the government. What this does is basically says: we're going to give you growth tax but in actual fact all it does is give them the responsibility in the growth tax field. It doesn't change the amount. The amount would change and has changed in the last few years from whatever it was to the 12 and then on up now, would have been up to the 17 per capita grant. That would have happened and did happen anyway. Had it been tied to the two percent and one percent, it would probably have worked out to roughly the same escalation that has been going on in the grants to the municipalities. But that is what the Provincial Government is being told by the municipalities. It's not enough. Giving two points on personal income tax and one percent on corporation tax still doesn't essentially change what has been happening in the amount of money that is going to the municipality. All it does is shift the onus of responsibility off the province and all they're sharing is the responsibility. They're not sharing in the growth to any greater an extent than the per capita grants were changing before and have changed in recent years.

Well, Mr. Speaker, they have lobbied and pressured for tax sharing of growth taxes. But all this bill does is allow them, if the level of grant stays the same, all they're sharing is the responsibility of having done it. They're not gaining from it. There's no gain in the amount of support to the municipalities. All they're doing is, I repeat again, all this bill does is allow the Provincial Government to share with the municipalities the responsibility for having the highest tax rate in Canada on personal income tax, 42-1/2 percent. That's basically what's happened out of all of this. All the good intentions of the municipalities have now been focused into going into partnership with the Provincial Government in sharing the responsibility for a high personal income tax rate but not in fact increasing the amount of money that's going to go to the municipality. So, Mr. Speaker, what is it?

This is no breakthrough in growth tax sharing with the municipalities. It's going to give them an escalating feature that is going to keep them probably at roughly the same level as they would have received through an increase by natural forces of the per capita grants which the province was already on a course is doing and which could have been done without going through all this again, this bureaucratic setup that has to be gone through in changing income tax forms and then apportioning money out to the nearest cent and this goes here and this goes back over there. All they had to do was basically say to the municipality: we agree with your requirements for a shift in taxation and we're going to make sure that you get more and this is roughly the formula we're going to use.

You have identified that 60 percent of our increase in money over this inflationary period has come from growth taxes, we're going to see that you get a certain portion of it. Write it out as a piece of legislation that goes right back through all the

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(MR. CRAIK cont'd) Provincial Government, through the Federal Income Tax forms and the whole works, and then the machinery to work it back after you've collected it and distributed it.

Now this government has a penchant for setting up these complicated systems such as the Property Tax Rebate System where they can hire people and systems, complications that aren't necessary if there was proper financing formulas from the Provincial Government.

This government fails to recognize the fact that the municipalities and the school boards are both the creations of the Provincial Government. They have no stature in written form. Normally one would assume that they should appear on an income tax form. They have no written features into the BNA Act that would lead one to believe that somehow they were going to appear on the income tax form on a national and provincial basis for the collection of support for their financial operations. They are the creations of the Provincial Government. All the Provincial Government has to do in response to the pressures of the municipalities is to say: yes, which is what they are trying to say. Yes, you have financial difficulties; yes, we are going to attempt to meet that in a new form. We will attempt to equate what we grant to you more closely with the growth taxes that we collect ourselves. But do it in fact and do it directly and let them know what the Provincial Government is doing and not attempt to capitalize on appearing to do it but in actual fact, in real dollar terms, not doing it in any greater extent than was done before and that they would have done anyway.

But I repeat, the government has this penchant to attempt to go through these complicated systems of tax distribution and through the Balkanization of ~~taxa~~ tax systems to attempt to appear to be putting money back into place, to the people, which should not have been taken away in the first place.

The municipalities, if the Provincial Government on the other hand said to them, we will relieve you of what is one of your major problems which is the financing of the public educational system, the municipalities would probably get off the province's doorstep immediately and not pressure the Provincial Government for more support for a municipal operation. That is the real problem with the municipalities. Between the municipalities and the school boards who on rough terms often seem to run about half and half of the tax bill on property, the municipalities, traditionally and fundamentally their services are more closely tied to property than education is. The property tax conveniently developed as a system whereby school boards as well could raise their funds but taxes on property are tied to municipal services. So in very fundamental terms the municipalities - the public understands that municipal services somehow are more closely tied to property. School taxes aren't. School taxes on property are just a convenient way for raising money at the local level. The amount of children coming from a piece of property has no relation to the size or the value of the property. It is a form of tax on wealth at the local level. That's about as accurate a thing as one could say about the school tax on property.

But if the Provincial Government again wants to relieve the problem of the municipalities, they could do so not by passing this type of legislation but bringing in a Foundation Program in Education that is more closely geared to the actual requirements of the school boards and relieve some of this pressure on the property tax. I think the municipalities then wouldn't be going to the Provincial Government and asking for room on the growth tax because the property base would then be adequate to carry their requirements. So now we get this very complicated system.

You've got the municipalities, in order to survive adequately, coming to the government asking for growth tax to cover off their increasing expenses. The Provincial Government in turn is saying, we're going to give you room on the personal income tax but not saying just quite as loudly that that isn't really going to give you any more money but it's going to give you a share of this particular growth tax. When the municipalities find out they're really not going to get any more financial support but they're going to share the responsibility of this high rate of personal income tax in the province, I think they're going to be more unhappy than they were prior to having gone to the Provincial Government and expressing their problems in the first place. So, Mr. Speaker, we don't

(MR. CRAIK cont'd) support this part of the bill. And we don't buy the argument by the government that this is some sort of a new breakthrough that allows the municipal governments to get into the sharing of growth taxes. Superficially it does, but the main thrust of this legislation is a sharing of responsibility for the income tax rates being at the level it is but not really netting any more dollars than could more easily have been done through the proper system of grants. If the government wants to they can change the name of the per capita grant and call it a growth system, growth tax grant, take the money from the growth taxes, give it to the municipalities on the basis of a responsibility which is pretty closely tied to per capita, call it growth tax, a rose by any other name smells the same. You would have saved all of the necessity of going through this business of special income tax forms and everything else, sharing of the 42-1/2 percent, and ending up at the same place, less the amount of money it would cost you for administration.

Mr. Speaker, the second part of the bill opens up a new area for taxation, and this says to the municipalities, without restricting the generalities that they can impose taxes in their own municipalities for things like motel-hotel accommodation, meals at restaurants, dining rooms, liquor, transfer of land, etc - I mean carte blanche that's what, this clause says, the municipality can apply any kind of a tax they want providing the government approves. Well, Mr. Speaker, again this is probably the most serious part in this Bill, the fact that it opens up again the sort of encouragement almost for municipalities to get into any numbers of new taxes at the local level, further Balkanization of taxation responsibility. Taxation on - well this has been discussed in the Legislature before, any number of different taxes have been suggested as a possibility under this.

One thing that we seem to keep referring, I notice that the government periodically and too frequently refers to tax-filers. Mr. Speaker, tax-filers are people, and those people are the only source of all the money that comes in by taxation. And if there are new taxes levied under this particular part of the Bill, what we're really then in that case agreeing to, is that taxpayers, regardless of who they are, the residents of this province, if we support this Bill, we'll be saying that we are going to open up new avenues by which you are going to be taxed more. And, Mr. Speaker, there's no way that we can agree with this government, that they should be saying to the taxpayers of Manitoba, that new avenues are required for them to be taxed higher, and that's essentially what this says.

We said in the Budget reply and in the Throne Speech both, that there are areas of fat in this province's budget that could be cut, and if cuts were made, increased taxes would not be necessary. Whether this government taxes directly, or whether they make room by legislation for the municipalities to tax directly, it all amounts to the same thing. It's the responsibility of this government when they open up new tax areas to also assume that responsibility that the same taxpayers that they are going to directly - they are now saying to the municipalities, you can go to those same people because we're saying that you can do it, and go ahead, and ultimately when you decide to go ahead, come to us for the approval. That, Mr. Speaker, we're not agreeing to, we're saying that the taxation of the people of Manitoba is at a high enough level at this point, and this is the most backward part of this Bill in its entirety. No favour is being done, not just to the people, but no favour is being done to the municipalities by opening up this type of taxation either.

So, Mr. Speaker, we repeat, that if the government carried heavy, adequate, financing program in its educational system primarily, the Foundation Program, the pressure would be off the municipalities as far as raising further taxes are concerned, the second measure would not be necessary, opening up new areas; the first measure, Mr. Speaker, necessary or not, is not going to do the municipalities any substantial good anyway, they are going to principally share the responsibility and take the load off the Provincial Government for having the highest income tax rates in Canada.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. I have a few comments on Bill 90. Mr. Speaker, I have the feeling that all of the hollering around about growth taxes that people do at the present time when it comes down to Federal

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(MR. J.F. JOHNSTON cont'd) or Provincial Governments, it's something that they can find a way to get out of a problem or get off the hook on a problem, they'll say, well, let's do it because everybody seems to think that that's the right thing to do, so if that's what they're asking for and we can get off the hook by making it look that way, let's go for it. I personally have a little disappointment in the municipal people when they start this thing and keep hollering growth taxes, growth taxes, when they should be saying to the government, that you have a responsibility to us as the people that created us to look at this from a different point of view. The Member from Riel is absolutely right when he says that it's the same amount if you had raised the per capita grants to 17.5, which you could have done. I mean, it went from 7 to 10 to 12, and it was even lower than that years back, and I'm sure that the members opposite will remind me of it. But it would have been about the same. --(Interjection)-- Yes, as I said, I'm sure the First Minister will remind me of what happened in the past, and what happens elsewhere. --(Interjection)-- the budget of the province was not the same then as it is now either.

Mr. Speaker, last year at that meeting when they gathered at the City Hall at the request of Winnipeg, the per capita grant was \$12.66, and the cities and municipalities were asking it to come up to \$50.65 per head on the basis of the growth taxes that have been coming into the province, have increased to the tune of about \$500 million over a period from '67 through to '75, and they felt that on that basis they should have been up to 50¢ per head. And in this House I said at that time that that was a ridiculous figure, that it really would be good if it was at about \$25.00 per head. I said last year that \$12 million was not enough, that in an inflationary period the cities and municipalities in this province needed the Provincial Government to find about \$25 million in grants to get them over the inflationary period, and that hasn't changed. That hasn't changed. And the government still says that we're putting you on a growth tax basis, which is really, really saying, you know, we've got a problem, let's have a Royal Commission so we won't have to answer it.

You've done the same here, you've said, we'll put you on a growth tax basis according to one tax only, which is not going to bring the cities and municipalities up to what they need at the present time, and then the government does their favourite thing that they've been talking about for three years, says, now you cities and municipalities be the bad guys and go out and collect the taxes, and we'll be the good guys and give back the rebates. We'll be the good guys, ah, you know, we'll give you back a rebate, but if you need more money, we're going to give you the permission to go out and put taxes. Now, that's just running away from responsibility, Mr. Speaker. --(Interjection)-- Absolutely running away from responsibility. And the thing that bothers me, Mr. Speaker, is that \$26 million of Manitoba taxpayers' money sitting in the Development Corporation, which is admitted by the Minister of Mines, not for any existing portfolio, and unlikely that it will be used. --(Interjection)-- Well, that should be yelled from the top of this building by loudspeaker, that you've got \$26 million of taxpayers' money sitting, not for any portfolio - not for any portfolio, and unlikely that it will be used, and the First Minister the next day said, well, we will probably, and that's the most I can say - and I don't blame him, I don't blame him for not saying any more, that we're looking at the vegetable business or the pharmaceutical business. And then in another breath, the First Minister says very many times, we're practically down to nil, practically down to nil in unemployment in Manitoba, and if we're in that position, why have we got all of this money sitting in this fund to go out and try to create more jobs in Manitoba at the present time. Now, let's, Mr. Speaker, cut the 26 down to 15 . . .

MR. GREEN: I wonder if the honourable member would permit a question.

MR. F. JOHNSTON: No, when I'm finished, Mr. Speaker. If the honourable members over there would cut it down to \$15 million for development of new businesses . . . --(Interjection)-- Well, Mr. Speaker, I'm only saying what it says right here, and I can only say to the honourable member that of necessity I cannot be too detailed about what this amount of money is for, but I can tell the honourable member that it is not for existing portfolios, and it is very unlikely that it will be used, \$26 million --(Interjection)--

MR. SPEAKER: Would the Honourable Minister state his point of order,

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MR. GREEN: The honourable member is either deliberately misleading the House, or mistakenly, and in either case it's a point of order. That is not referring to funds, that is referring to borrowing authority which was being discussed at the time, the authority to borrow moneys.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J.F. JOHNSTON: Mr. Speaker, I'll read the whole thing. There is a 26 million uncommitted authority from before, yes, which leaves an amount of money in the neighbourhood of \$26 million. Now, you know, if you've got an authority right now to borrow \$26 million, they may or may not be using it. Well I say, borrow \$10 million of it and help the cities and municipalities. That's right. Why do you want to have an authority for the Corporation? Are we going to go into new businesses? You know, we've lost - the new businesses really are gambles, we know that. We know that there's a possibility, mind you, we have fairly good proof that there's a possibility that governments lose money in business, and here we have a situation where the cities and municipalities are being told to go out and add more taxes, which you will take to have a borrowing authority and will borrow to go into new businesses instead of helping out the cities and municipalities if it's necessary.

A MEMBER: Right on, Frank.

MR. J. F. JOHNSTON: Mr. Speaker, I can only say that I can remember people in this province and in this city when the bus strike was on, one person said, I would just as soon it didn't end if I had to pay more taxes. Everybody that turns around, everybody in this city, everybody in this province, doesn't want new taxes. And the government says, I'll give you back the money on the rebate. Oh, they give it back five times, the same money, mind you. I'll give you back money, but you go out and tax the people, you be the bad guys. Mr. Speaker, how any government who is trying to say that we are now going to help the cities and municipalities by involving them in growth taxes with the system that you have put before us, is just a sham. It's just a great big "won't wash" sham. The cities and municipalities in this province, if it's estimated properly, will find that they need about \$26 million distributed among them, and I can even agree with the government that it should be looked at, not necessarily on a per capita basis, but which one is in the most need, and you need that much money at the present time to help the cities and municipalities over the hump. You're willing to borrow money to go into businesses where you will probably or might lose it, and ignore the dire needs of the cities and municipalities.

Mr. Speaker, this Bill is just not worth looking at from the point of view that you're being any help to these people. In fact you're going to have them in more trouble by giving them these rights of taxation. In five years you'll be saving, my goodness, we'll have to stop these people from taking money out of the people's pockets. --(Interjection-- They should never be given the chance just because this government wants to get rid of their responsibility.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion? The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I just have a few points to make before the Bill passes, perhaps in a slightly different vein than the positions we've heard before, but perhaps no less critical.

I think there's really three particular aspects of this Bill I'd like to say something about first. I believe that the Member for Riel has already described part of what I wanted to say, and that is, that in fact the milestone that we're looking at really is a fairly small hurdle to jump over, it doesn't really carry with it the great historical significance that the First Minister indicated. But I would concede that it is certainly probably an improvement upon what is going on elsewhere in this country, because there isn't really any Provincial Government that has had a sufficient amount of courage to really approach the question of revenue-sharing in a very bold and courageous way, to the degree that Manitoba has at least allowed the notion of sharing the tax points is at least a precedent, and it could in fact result in a notion that there is to be a revenue-sharing arrangement. But I can't say, Mr. Speaker, that that makes me any happier, because I don't think that revenue-sharing is really the answer to the fiscal problems of the

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(MR. AXWORTHY cont'd) municipalities. I think it's a way of cutting up the pie in different portions, but doesn't necessarily mean that you're going to solve the fiscal problems of the municipalities which have nothing to do with how the money is arrived at, on large part, it is the fact that the municipalities are experiencing such an exaggerated and horrendous push upon the demands for services, that you're going to have to find either a way of rationing or allocating those services more effectively, or some way of dealing with the problem throughout the cities and the municipalities. That's the core of the problem. And I think that if you look at the figures of the government finance over the past decade, you'll see that the real bulge, the real distortion, is that the percentage of increase of municipal services has been much higher than that of either the federal or provincial levels. I think it's about a 30-50-10 kind of a split proportionately. The tendency has been so far to say, let's solve the problem by revenue-sharing, and yet if you look at the experiences in the United States where they've had revenue-sharing now for five years, they've found that it doesn't really make much difference frankly. When you really get down to it it hasn't really helped the cities all that much. In fact what has really taken place - I think this is the important point, Mr. Speaker - when the American Federal system went into revenue-sharing it really ended up in that the cities chose a different sort of priority than those that were being set by Federal or State governments. Those priorities did not include social priorities. In fact the municipalities tended to spend far more money on hardware items or bigger expressways or capital works or police service and didn't go into the area of providing better education or better programs dealing with those in minority situations. So that one of the results of revenue-sharing might be that, if we have a concept in this province of some equity, an equitable distribution of income and services then the end result of a formula of revenue-sharing would be to work against that concept.

Therefore, I would say that if the Provincial Government is committed to following this idea of revenue-sharing as its formula for funding then it would seem to me that it is absolutely essential they combine it with a grant program, a special grant program, a conditional grant program designated to particular kinds of social-economic problems which are provincial-wide in responsibility but may be city-wide in their targeting.

We've gone over it in the House before, but we've looked at things like the problem of inner-city schooling; we've looked at the problems of recreation and park development in certain areas. What we really need at this stage is some very basic financial targets that the municipalities can use to solve their particular problem. If it's a problem of inner-city poverty or lack of economic development maybe we'll have funds to do it. I don't think frankly you're going to get it from the City of Winnipeg as it's now constructed. If you give them more money they're going to build more facilities in the suburbs. That's where their money will go. It will not go into dealing with social problems in the inner city.

I think one of the city councillors in the debate on the Trizec a couple of days ago indicated that very firmly - I believe it was on the Tuxedo Golf Course and Trizec - he said, for all the fuss and bother she wished that they would start looking much more seriously at what's going on in terms of the people problems in downtown Winnipeg which city council is not spending an awful lot of time on.

Let's not pretend that somehow just by changing the formulas around that we're going to get some answers. I think what we have to anticipate is that because of the growth of the City in particular, and I'm speaking of the City of Winnipeg because that is where the population growth is taking place, I think something like 90 percent of the population growth in Manitoba takes place in the City of Winnipeg, that's where the growth takes place, the demand for services is going to be exorbitant and furthermore that growth is going to be concentrated in particular with the kind of people who are not going to be revenue producers. They're going to be older people who are now on fixed incomes. The prediction is in ten years they're going to absorb maybe 15 percent of the city population compared to about 9 percent now. There are going to be poorer people who are moving in from rural areas, primarily native people. They're going to be the ones coming into the city; they're the ones who will need a certain amount of assistance in order to improve their life and there's no assurance that the present financial arrangement gives

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(MR. AXWORTHY cont'd) them any assistance whatsoever.

So, Mr. Speaker, that would be my attitude towards the bill that it's an incomplete bill frankly. It's not a comprehensive basis of fiscal reform for municipalities, it's simply a way of changing the formula by which money is transferred. I think the Member from Riel is right. The amount of money transferred is not really much more than was transferred under the per capita grant. My basic objection to the government's point is that they still don't have a fiscal policy or a financial policy to aid the City of Winnipeg in its problems. That's the real condemnation that should be made of this government. They still haven't addressed that fundamental problem and yet it is "the" municipal finance problem really in this province. I'm not saying that there are not other municipalities who wouldn't like more money but when you look upon the demand for services and the growth factor that's where the real problem resides.

Mr. Speaker, I would also like to say that in relation to the other part of the bill which in some ways is a sneakier part of the bill and I don't mean that in a derogatory way, but it's a little more subtle in terms of giving the municipalities certain rights to begin imposing hotel taxes and land transfer taxes. That I believe is perhaps in some ways more of a breakthrough than the transfer of the taxation points. If you really look at the implications of it that's a much more significant move than what is really a different formula. I would think that that's where we should be spending our time. It's kind of curious that we've been sort of ranting and raving about the other side of it and not really asking what that means.

I must confess, Mr. Speaker, that I haven't had a chance to fully absorb myself what the implications are but I think I have some ideas. One thing that it could do, and maybe this is where I do take issue, is that I'm not so sure that the right of taxation on land transfers should be a municipal tax. I'm not so sure that it shouldn't be on the provincial level where there is much wider base of land control and land responsibility. I see land transfer tax as very much part of the whole area of land planning, coming down to the question as who decides how land is to be used. It is less a revenue gathering means than it should be a planning tool and a regulatory tool about where and how land will be utilized and for what purposes. That's really the purpose of that tax and I'm not so sure that it best resides in the municipality. Now I could be convinced otherwise and I'd like to hear some response to that.

While I agree with the idea of the tax I'm not so sure it should reside in the variety of municipalities. In fact if you look, Mr. Speaker, it runs contrary to the very intent of The Planning Act that the Attorney-General brought in. The idea of The Planning Act is to coalesce four or five or a number of municipalities into a planning region and then giving them certain powers to try to allocate the use of land. One of the basic instruments that they could have is the taxation power and yet under this Act they will not have it because it will still be sort of applied to separate municipalities. So the government is admitting and acknowledging the need for a regionalization of planning for land but they are not giving that regionalization one of the basic tools that it needs in order to bring about a more effective attack upon the allocation of land.

Now it may be, and this is a question I would raise in this debate, the degree to which those municipalities could in a sense come to some agreement that they'd all use the same taxing. But if you look at The Planning Act and really try to say, how is it going to work? A taxation policy attached to it dealing with land transfers is absolutely essential to make that Planning Act work properly. I'm not so sure that the municipalities under this Act are going to be able to bring together their respective land transfer taxing powers to combine in some sort of parallel fashion or concerted fashion with the regional planning concept that the Attorney-General or the Minister of Municipal Affairs has introduced. So there is a contradiction at least or at least an anomaly, perhaps an ambiguity. I would think, Mr. Speaker, it's something that should be responded to because it may mean that we're not putting the tax in the right place.

Mr. Speaker, one further comment and that is one of the reasons why I tend to agree with the transfer or the allocation of some of these powers. I have become convinced over the last period of time that one of the areas that we must begin putting a lot more attention to is the concept of user taxes. If a service is provided the users of

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(MR. AXWORTHY cont'd) that service should pay more for it. The classic example of course is roads. If you look at the subsidy that the total public builds into the road system it far exceeds the total purchase price of a car plus the operating cost of a car in any one year. --(Interjection)-- Well, I'm talking about roads itself as compared to a public transit system where we get all hot and bothered about how much subsidy we're going to put into it. It's a very direct subsidy but it's not nearly the amount that we oftentimes put into the support of the private automobile in terms of looking at all the areas, including policing and traffic control and everything else, parking facilities, parking garages. The subsidy that we build in to support the private automobile is far in excess of what we put into public transit and yet there isn't an appropriate user cost attached to it so that the user knows exactly what in some rational economic way, what he's having to pay for it.

Now I certainly agree with the idea of a hotel tax. When some members to the right of me say that's a bad tax, I don't think it's a bad tax at all. I think it's a good tax. I think it's taxing users. We put an awful lot of money to support the tourist system who are outside taxpayers, in effect, who are using the services of our city. We're trying to attract them here. They're using the Convention Centre which only ran a deficit last year of close to a million dollars; they're using the different cultural centres which we put heavy subsidies into. There should be some way of recapturing that and not just through the normal economic infusion that they put in but directly in terms of the location. If you look at who uses hotels, I believe that according to the latest statistics about 70 percent of the users of hotels are businessmen on expense accounts, businessmen or civil servants on expense accounts of some kind.

Now I would think, Mr. Speaker, that if they're coming here that certainly that should be a tax as compared to an ordinary taxpayer because if you don't start applying user taxes, it simply means you're going to have to put a heavier burden on the property tax. Therefore I disagree with the Member for Riel. I think he's got his economics mixed up. You have to develop a range of alternative tax means because if you don't do it you're simply going to put a heavier and heavier burden on the tax system. Frankly, to be very honest between us guys on a Friday afternoon, I don't think there's any way that you're going to hold the line on costs on the municipal side. You may restrain it and you may slow them down but you're not going to stop them from growing. Therefore if you want to shift the burden from the property tax which is an onerous tax on many people then we'd better start being much more widespread in our application of user taxes which I think catches an awful lot more people. That's why I say this part of the tax bill is much more significant.

Mr. Speaker, I again come back to my point. I wish members opposite on the treasury benches would be a little bit more forthcoming in their explanation of what they want to do. That's why we have repeatedly called for a much fuller explanation of the whole area of municipal taxation and finance. We attack it in bits and pieces. We bring a measure here and a measure there. We tag on a thing there and we tag on something else there but we never really discuss, if you like, an overall program to deal with the rising costs of municipalities and the way in which we hope to fund them. As a result we're ad hoc'ing our way through a very difficult problem.

Now, I know that perhaps it may be advantageous sometimes to muddle your way through but I believe that we're beginning to show the signs of strain of that muddling through. For lack of a forthright and complete statement in the whole area of municipal finance we don't really understand the connections between the different kinds of tax measures, what one means to the other and what the impact of those tax measures will be. I think that we've got to talk about grants and subsidies and costs and benefits and related tax measures in terms of how they relate to one another not how they stand separately, so we can get some comprehensive picture of where we're going and perhaps most importantly where we intend to go in the future. The whole problem of the growth of a city and municipalities is one that requires, I think, a highly skilled and complex approach. We'd better start talking about it and analyzing it and assessing it much more carefully than we do now and that is without question a provincial responsibility. The city is its creature; the city is growing because people are moving in from other parts of the

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(MR. AXWORTHY cont'd) province and therefore it is incumbent upon this province to establish a policy and a program and so far all we have had is a series of disparate measures each connected by some unravelled string of rhetoric which really doesn't make sense. I think that when the Minister introduced this bill and members opposite spoke into it we frankly deserve better than what we received in the way of explanation and certainly in the way of some sense of where this government hopes to take the area of municipal finance and reform in the future.

Those are the complaints I really have about the bill. I agree that in the first part it is not all that significant although it is not damaging. It simply puts another way of putting the same amount of money into people's hands. The second part I think is far more significant but we should have had it laid out to us really what the implications are and how it connects to the different parts of the urban system. Thirdly, I think that we do deserve a much better sense of policy of where we're going in municipal finance and reform.

QUESTION put, MOTION carried.

BILL NO. 81 - THE MILK CONTROL ACT

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet) (by leave) presented Bill No. 81, The Milk Control Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, members opposite would recall the debates during the Estimates of the Department of Agriculture when this particular subject matter was touched on, wherein I had indicated that we would be bringing in a housekeeping bill to deal with the question of the existing policy, existing over the last two years, with respect to the dairy industry and the fact that we have some redundancies in the existing Milk Control Act and overlapping jurisdictions as between the Act and the Natural Products Marketing Act, implemented through the new Producers Marketing Board. This bill is intended to be mainly a housekeeping exercise to properly define the role of both of those agencies, or in particular the New Milk Control Board.

The Member for Lakeside in fact reminded me at that time during my Estimates debate, Mr. Speaker, that probably it would be logical to argue that the Milk Control Act should be repealed and not replaced with any other Act or with any other agency other than that the Manitoba Marketing Board could properly carry out that same role. I tended at that time to agree with the Member for Lakeside that from the standpoint of efficiency perhaps it's worthwhile looking at that alternative.

I simply want to indicate now that we have looked at that alternative and we find that really the Manitoba Marketing Board is more producer oriented and the nature of the Milk Control Board is really consumer oriented and really if we had tied the two together we would probably end up enlarging the former and then designating a special committee to handle milk as does the Milk Control Board now. So we decided to maintain them as separate entities.

The main purpose of the bill is to control the price of milk in the interests of consumers while at the same time taking due consideration of the needs of producers and that's historic, that is nothing new. The direct control of the board over producers, however, through fluid milk quotas has been deleted from this bill because that responsibility is now under the Milk Producers Marketing Board. So there is deletion of any reference to fluid milk quotas which has been redundant now for some period of time.

There is a requirement to supply information respecting the cost of processing and distribution of milk. That part of it has been strengthened.

The Milk Control Board is given explicit authority to prohibit reconstitution of milk in all or part of the province. That is a new part, Mr. Speaker, and of course it's more clearly defined in what way the board may regulate the size of containers. Although they have done it in the past, there's been some doubt as to the legality of their action in that regard.

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(MR. USKIW cont'd)

The bill also give consumers the right to request of the board information regarding the cost and profits in the industry so that they may be in a better position to protect their interests. That is, I would suggest, Mr. Speaker, the strongest change. It gives consumers a greater amount of information on which to base their representations.

So, Mr. Speaker, that's really a sun total of the changes and I commend the bill to the House.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I beg to move, seconded by the Honourable Member for Roblin, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I am going to adjourn the House in a moment. I just want to indicate that the meeting of Industrial Relations Committee is to be tomorrow and then we will return on Monday at 10:00 o'clock. I believe that almost - 56 is there somebody who can deal with 56?

MR. SPEAKER: 56 is for third reading.

MR. GREEN: Yes, but there is an amendment to be delivered I believe. That's right. If it is ready we would proceed. Well, Mr. Speaker, unless there are any questions with regard to proceedings of the House next week, I move, seconded by the Honourable the Minister of Industry and Commerce, that the House do now adjourn.

MOTION presented and carried.

MR. SPEAKER: Accordingly, the House is adjourned and stands adjourned until 10:00 a.m. Monday morning.