

THE LEGISLATIVE ASSEMBLY of MANITOBA
Tuesday, June 14, 1977

TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 30 students Grade 5 and 6 standing of the Archwood School. These students are under the direction of Miss Hamm. This school is located in the constituency of the Honourable Member for St. Vital.

On behalf of the Assembly we welcome you here.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker, a question to the First Minister as the Minister reporting for Manitoba Hydro. Would the First Minister be in a position to advise the House before prorogation as to the present status of the Rate Stabilization Fund of Manitoba Hydro, with regard particularly to the heavy drain on that fund occasioned by the out of season utilization of fossil fuel plants in Manitoba?

MR. SPEAKER: The Honourable First Minister.

HONOURABLE EDWARD SCHREYER, Premier (Rossmere): Well, Mr. Speaker, yes, I can do that, it shouldn't take more than a 24-hour period in which to provide that information. It is also another way of acknowledging that the utilization of fossil fuel as an alternative mode of electrical supply is not the best cost alternative. I'll try and have that figure tomorrow.

MR. LYON: Mr. Speaker, a further question to the First Minister. Would he be in a position to advise the House, at the same time, as to whether or not Manitoba Hydro, at the present time, are contemplating a mid-term increase in hydro rates, because of the unusual shortage that we are facing at this time?

MR. SCHREYER: No, Mr. Speaker, there been no such consideration.

MR. LYON: A third question then, Mr. Speaker. If there is to be no increase in hydro rates, could the First Minister advise, on a projected basis, what the deficit will be in Manitoba Hydro in order to avoid the rate increase?

MR. SCHREYER: Well, that, Mr. Speaker, is subsumed in the earlier question. I should point out that, on the other hand and on the other side of the coin, if one is allowed to draw into the projections, an abnormally wet year as opposed to an abnormally dry one, then the opposite conclusions could be drawn.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J ENNS: Mr. Speaker, I wonder if the First Minister responsible for Manitoba Hydro could confirm the earlier reports, I believe, of several weeks ago, the test runs of the No. 6 unit at Jenpeg are proceeding smoothly?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, I can, Mr. Speaker. I have not had a report in the past two days, but I did receive a report as recently as last Thursday or Friday and all of the testing runs that take place prior to commissioning are proceeding very well indeed.

ORDERS OF THE DAY

ADJOURNED DEBATES ON SECOND READING

BILL (NO. 87) - THE HOMEOWNERS TAX AND INSULATION ASSISTANCE ACT.

MR. SPEAKER: The Honourable House Leader.

HONOURABLE SIDNEY GREEN (Inkster): Yes, Mr. Speaker, I believe it is Bili No. 87 I'm interested in, yes, Bill No. 87.

MR. SPEAKER: The proposed Motion of the Honourable Minister of Finance. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Yes, Mr. Speaker, I adjourned this for the Honourable Member for Riel.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK: Well, Mr. Speaker, it is a privilege to speak on this bill because I think it is

the first time that I can recall in eight years in opposition where the contents of a Private Member's Resolution, that I have had some involvement in, has ended up in government legislation. Mr. Speaker, it has been a long time in eight years waiting for something like that to happen. However, whatever the reason may be, nevertheless it turns out that the request to have things like renewable energy capture equipment exempted from property taxes is featured in the bill, and that will at least withdraw some of the sting from the efforts that are being made by some people to capture renewable energy add make use of it as low grade energy for the purposes of residential heating.

One question on that, Mr. Speaker, I would mention though, is that I see that it applies to solar heating but it doesn't apply to wind generation; and as you know wind generation is going to require a certain utilization over the next few years in Manitoba as well as elsewhere. But perhaps that can be treated at a later date. However, I see that the solar energy portion is contained in the bill.

Now, Mr. Speaker, also we have no dispute with the government's move to assist the utilities in helping to finance the increased insulation quality in buildings. I would ask here though why the government has not also given a further look at removing the sales tax from the Hydro bills in Manitoba. At the present time the sales tax is exempt on consumption if you are on 100 percent electric house. However, if you are on a partial electric for energy use, there is no exemption. In other words, Mr. Speaker, if you burn part oil or presumably if you burnt part solar and part electrical, you would be charged 5 percent on your total electrical consumption, and I think government may well have taken a look at the removal of the sales tax in its entirety from the electric consumption, and this way people who now have sufficient electric service to their houses could convert if they so desired into partial electric heat, to offset some other form of heating that may be less desirable, such as the consumption of fuel oil.

Well, Mr. Speaker, in total though, the package that has been developed by this bill indicates the sort of patchwork approach that is being taken toward preparing our society for the impact of the energy crunch; and I think it's indicative of the fact that the government has seen that there is a political necessity to do something, so rather than do nothing they've done a little bit. But I say that with some background, Mr. Speaker, of having examined what's been happening to our neighbours to the south in the United States.

I think we all would be ready to admit that the energy requirements of a resident of Manitoba render him much more vulnerable to high energy costs than in the southern United States, because in the winter climates of Manitoba you are left, the citizens are left vulnerable from almost everything from transportation right through to the heating of their houses.

It's not only houses, Mr. Speaker, it's also apartment buildings, and this bill of course doesn't make any allowance for someone who provides habitation, constructs habitation for people who want to live in an apartment building. It applies only to a person who is a homeowner in a house. Now why is the incentive not also provided in the construction of apartment buildings that are going to be rented out? Because the costs of the rent in the apartment is going to, in part, be a reflection of the insulation standards that are used in the construction of the building. But the government appears to here, have a hang-up. They absolutely achieve a mental, self-imposed mental block when it comes to providing any sort of an incentive or a carrot that would require commercial builders to get any sort of a nudge from government to go to a better standard.

What, Mr. Speaker, has been done either in the development of the Manitoba Building Code? Has any consideration been given there to the climate of Manitoba being more severe than the climate of Ontario? Traditionally the CMHC standards have been woefully lacking in recognizing the requirements of the severe western winters in western Canada.

Now, just to give you a comparison of what is being done by our neighbours to the south who have at their disposal more energy in total in the way of non-renewable resources as Canada does, despite the euphoric sort of opinion that we seem to have formed that we're an energy-rich country, who also have a less severe climate than we do they have developed standards — and in case anybody in the government is interested, if there happens to be anybody over there looking at it, my impression is that out of that whole Planning and Priority Committee of the government that there's very little comes out of it in the way of any innovative type of thinking. Maybe we can recommend that somebody in there pick up the Carter Energy Program and have a look at it, because there you will see a comprehensive approach to energy conservation.

And let me, Mr. Speaker, just list a few of them for you. I refer here to the most recent publication of House and Home Housing which is probably the foremost magazine in the U.S. This applies only to the house building or habitation provision sector of the U.S. economy.

First of all, building codes. "The Housing and Urban Development Department, HUD, is ordered to promulgate mandatory performance building codes for energy conservation a year earlier than scheduled, or by September 1st, 1980. All jurisdictions must adopt the codes or builders will risk borrowing sanction." That's the way they enforce their codes in the States, it's through the borrowing sanctions that are applied through the mortgage sources to make sure that the buildings are brought up to codes.

"Conservation Loans. The government will open a secondary market for residential energy conservation loans through the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association." Well, Mr. Speaker, I suppose the government here can legitimately say that in that case you should be looking at CMHC. But in the building codes now, that's the opposite. We now have a Manitoba Building Code.

Thirdly, Insulation Tax Credits. Mr. Speaker, now you start getting down to something comparable to what we have in the bill before us.

"Owners can claim a tax credit of 25 percent of the first \$800 and 15 percent on the next \$1,400 spent on conservation measures, between April 20th, 1977, and December 31st, 1984." In other words, Mr. Speaker, not just a loan, a deferral of the payment, but, Mr. Speaker, a direct grant to those who want to take the carrot and go.

"Solar Tax Credits for Solar Energy. A credit will be allowed for 40 percent of the first \$1,000, and 25 percent of the next \$6,400, with a maximum of \$2,000 paid for the installation of solar equipment between April 20th, 1977, and December 31st, 1984." In other words, solar energy in this bill simply says that your assessment on your house won't be increased. But solar energy used in the United States, Mr. Speaker, which, contrary to the current sort of interpretation, is not any more advantageous in many parts of the United States than it is here in Manitoba; solar energy has as many applications here as it has in at least half of the United States. In their case they are making up to \$2,000 grant to get into the solar energy or renewable resource heating.

Master metering. The government would outlaw master electric meters for such structures as apartment houses and insists instead on metering for each individual unit. Mr. Speaker, we were advised this year at the Public Utilities Committee, recognized by the Manitoba Hydro officials, that in cases where individual metering is done, that the homeowner, or the resident, or the tenant, or whatever he might be, the condominium owner, or the tenant in a multi-residential apartment, tends to be more conservation conscious when the meter is in his own name rather than a master meter on the whole building, where he thinks that his neighbour is paying for it rather than him. So, Mr. Speaker, they have moved on it already. You see, we know these things, but we haven't done anything.

Appliances. Mandatory energy efficiency standards for air conditioners, furnaces, water heaters, refrigerators, will be set up soon. That is already being done in Canada in Ontario. It may be done in some other provinces but there is certainly no mention of it here in the Province of Manitoba.

Utility assistance. Well, this is the case of gas and electric companies, would offer customers a residential energy conservation audit and then if needed would install energy efficient equipment and offer loans to be repaid on monthly utility bills. That is one feature that we are getting in this bill. In other words, the government in this bill is going to assist the utility companies in encouraging people to make improvements in their insulation standards now and pay for it over some future amortization schedule, presumably at a subsidized interest rate on the loan.

Peak hour pricing. Electric utilities would have to offer peak and non-peak hourly rate pricing and reductions for customers willing to have power interrupted. Well that's a move well worth looking at, in other words, getting into interrupted power supplies for heating purposes to people who wish to avail themselves of a lower priced energy source.

Low Income assistance. The existing low income residential conservation or weatherization program will increase to \$130 million in fiscal 1979, and \$200 million in 1981. So, Mr. Speaker, they have taken into account that people who are on low incomes and living in poorly insulated homes, require special assistance.

Installation labour. Recipients of funds under the Comprehensive Employment and Training Act will provide labour for the weatherization program for low income families. There they have taken, recognized and married the, well, if you like, a Make Work Program or a LIP Program with Energy Conservation and said, "These two will be married together so that we can direct our programs like LIP Program and STEP Program and other programs that are promulgated by the Provincial Government and directed them toward energy conservation measures. No such initiative being taken here.

And finally, rural homes. Their weatherization program will be undertaken with the aid of rural electric co-ops and loans for farmers home administration.

Well, Mr. Speaker, what it amounts to is a very comprehensive program that is all-encompassing. It covers in its entirety a pretty well thought out energy conservation program by those people that live to the south of us, who live in much less drastic climates than we do and yet have shown the initiative to not only upgrade their codes without bias towards whether you are residential or whether you are commercial, but simply approached it on the basis that the objective is to conserve energy. And this is what is missing, if anything, in this particular bill and by the efforts of the government. The program is not comprehensive. It does part of the job and secondly, it doesn't cover the entire spectrum of buildings. It covers only residential buildings, it doesn't cover commercial buildings and apartment buildings, and therefore, appears not to be aimed necessarily at conserving energy, but

appears to be primarily aimed at handing out the odd goody to a particular type of person that happens to be living in Manitoba, that happens to own their own home.

So, Mr. Speaker, the bill offers something that is less than comprehensive. It does go part way, and in general terms the conclusion has to be drawn that we, naturally, can support the bill, but we wished that it showed a little more comprehensive study, a little more comprehensive planning for energy conservation, and, of course, we can support it the way it is, and we would hope that we might even persuade the government to add some more to it.

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

MR. GEORGE MINAKER (St. James): Thank you very much, Mr. Speaker. I would like to make a few additional comments to what the Honourable Member for Riel has already made.

In particular I would like to deal with the principle in the bill with regards to the Tax Deferral Program. I would suggest, Mr. Speaker, that the government has finally recognized that there is some problem with some of our senior citizens meeting their commitment to pay the tax bill on their real property. And I would think that that basic principle is there or they would not have it in the Act, regardless of the general comments coming from the Honourable Minister of Mines and Resources, that they have recognized that there are a percentage of our population, of the senior citizens, who are having difficulty, or at least they are recognizing the principle that when someone reaches the age of retirement and still owns their property, that they should have some exemption from some of our taxes. They haven't designated the fact that it's education tax, but I would suggest, Mr. Speaker, that that is the basic principle that is being put forward at this time. I have had the opportunity in my four years in the Legislature of indicating my preference with regard to our senior citizens having to pay the education tax after they are retired and out of the business world.

Mr. Speaker, I suggest to you that the approach that is being given by the government will not give the answer that they are looking for because they are in reality suggesting that by deferring the tax that that will take the load off the taxpayers mind and off his purse by deferring it onto the next generation, or when he ceases to exist, or when he sells his property. I remind the government, Mr. Speaker, that many of our senior citizens have gone through an era in time that I didn't experience, or realize that I experienced, and that is called "the depression era", many of these citizens that we are talking about that are having difficulty today to pay their taxes on their properties are very proud individuals, and would consider this approach the government is taking is nothing more than an approach of where there would be social assistance, because many of these citizens rather than taking social assistance and having their properties liened have decided; "No, we will pay for it some way," either through the bread money or something.

I suggest to the government, Mr. Speaker, that this approach by deferring the taxes, by putting it on the property and liening it is not the answer that the senior citizens are looking for, that they are proud individuals and when they look at this being presented to them, they say; "This is no different than if we were to accept social assistance and to have our property liened." And, I speak from experience, Mr. Speaker, because I had the opportunity of sitting on council for a number of years and looking at circumstances where senior citizens, and other than senior citizens becoming involved where they met their end to how far they could go and they wanted to retain their property and so forth, and had to accept social assistance and did so humbly. I suggest, Mr. Speaker, that the approach the government is taking on this particular problem, that they have recognized, is the wrong one, I suggest to the government, Mr. Speaker, that if they recognized the principle that people who are retired and on pension have contributed their way to our society and own property should be exempt from certain taxation, well say it, don't go half way, don't take the approach that they can defer it until they sell their property because many of the senior citizens will not put that burden onto their family. They have never up until this time put that burden onto their family or their children so they won't. —(Interjection)— Inheriting their debt.

So that the next question comes up, Mr. Speaker, that this government feels that the property should be liened, which is rightfully so. If this is the approach they are taking that's their privilege. Mr. Speaker, in my experience on City Council in St. James, what often happened, in I would say 95 percent of the cases when a property estate was being settled, that there was a lien on the property, the legal profession would approach the council and the city solicitor and say, "Listen there is a \$2,000 lien on this particular property, would you accept \$1,000?" And in many cases it was accepted in order to get some moneys back that was given out by the government.

But, I suggest to you, Mr. Speaker, that if this is the approach that is being taken by the government, that the moneys that they feel they will save society or the public by not making a decision that a certain part of our society is exempt from education tax, by taking this approach, that the savings that they feel they will pass on to the public will, in fact, be used up by both in the fact that when the settlement is arrived at the estate they will probably get 50 cents on the dollar, and further to that the legal profession will get their share of the cost of settling this particular estate. So, I suggest to you, Mr. Speaker, that the approach that is being taken is not the correct approach, but at least it is a step in the direction of recognizing that there are citizens within our society that are having

difficulty in paying their taxes on their property. They have recognized that there are this percentage of our population, even to the fact that there is a tax rebate system and the approach, I believe, and we believe, would be more efficiently handled in a different way. There are some principles that we can deal with later on when we get into Committee on this. There appears not to be any maximum set on to how many taxes can be deferred. There is no particular principle or a definition defining what an eligible taxpayer is. The Minister, in his presentation, has indicated that it would apply to pensioners, but there is nowhere in the Act that I can see that it definitely defines that the eligible person would be a pensioner, and it might be well worth consideration to look at clearly defining who would be eligible, because at the present time it relates strictly to the regulations that would be established by the Minister and the Cabinet.

The other suggestion or concern that we have is, the method of co-ordination in this principle, that the municipalities will look after this and establish who can and how much money is being deferred and so on; that the costs incurred in trying to co-ordinate this I am sure will use up some of the moneys which, I believe, the government feels that they will save by this approach rather than a *carte blanche* approach in saying that senior citizens should be exempt from education tax, say, or from a certain percentage of the tax. I think some of this money they feel that will be saved will be used up in the fact that now the municipalities will have additional accounting; there will be legal costs and there will be time consumed in trying to keep track and to co-ordinate this type of approach to this problem that exists with some of our citizens. So that we hope that the Minister will give some considerations to our comments, and I personally would be much more supportive to a bill that recognized the problem, made a commitment and said that these particular citizens would be exempt from the education tax, which I have said very clearly in the four years that I've been in the House, that I feel that once an individual has contributed to society, he has worked with people, he has paid his taxes, he is now retired, that he has given his fair share towards the education tax. It would almost appear that this approach by the government is a half-way measure to pacify those people with problems at the present time, being that it is an election year.

Mr. Speaker, I would add just very brief comments with regard to the insulation loans. I am very pleased to see that, as my colleague from Riel has indicated, that the government is recognizing the need to try and encourage and try and create some stimulant to have our people try and conserve energy. I am disappointed that the government recognizes only one part of where energy is being consumed and wasted at the present time, and that is with the residential heating. I would have much rather seen some kind of initiative and encouragement that the industry and commercial areas would have that objective of both economically, to try and conserve our energy and our fossil fuels.

In particular, I raised with the Honourable Minister of Finance during his Estimates, that there exists in Manitoba today the principle by this government of double taxation, when someone tries to conserve energy in industry he is taxed for it; and I particularly draw to the Minister's attention the principle that where a refinery burns a fuel to create steam and heat for its process and decides that rather than waste the heat that's going up the stack, we will put a recovery unit in, and by putting the recovery unit in and creating steam to heat their building they are further taxed an additional 5 percent.

I suggest, Mr. Speaker, that there is a flaw in this principle, because the same thing exists in other industries or commercial areas where, rather than discharging the hot air from a building, they recover the heat. These particular people are not taxed, and we are dealing with energy or heat. So that there is a flaw in the principle that the government presently has in this particular area, of where there is heat reclamation in some areas, the industry is taxed — double taxed — but in other areas they are not. I would much rather see the encouragement of both the commercial and heavy industry to regain the heat that is presently being lost, and to be encouraged to do so, not penalized. I hope that the Honourable Minister will look into this. I know he indicated during his Estimates that he would, and I hope that he will review this situation because I believe that the — and I know that the major area of energy that is presently being wasted, is not necessarily in the residential homes, but moreso in heavy industry and in commercial areas.

As I indicated in one instance, the people are being double taxed for trying to reclaim the heat. As the Honourable Member for Riel has indicated that we are prepared to support this bill and we hoped that that they would add additional incentives to try and . further encourage the public and industry and the commercial area of Manitoba to conserve the energy that is now presently going up the stack. Thank you.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Thank you, Mr. Speaker. I would like to say a few words on this particular bill. As I try to sort out its meaning amongst all the other things that are swirling around at the present moment, I did take note of the comments of the Member from Riel who suggested that he was glad to see the government finally taking some notice of resolutions passed by private members on this side. I would only add that it's my regret that in some cases they choose the wrong resolutions to look at and it might have been much better suited if they had looked at ones which dealt with some

of these problems in a more wide-ranging and comprehensive way. I can think of some of the past debates we've had on resolutions indicating that what we still sorely lack in the Province of Manitoba was any means of arriving at a basic energy policy and that we are still approaching it from the point of view of trying to put together a little bit of a series of fragmented pieces and stitch them together, when in fact, what we really need to do is to take a brand new look at the issue. The same thing I would also say is true with the property tax system, that rather than again trying to respond to a particular set of concerns expressed by senior citizens, the general issue of property taxes, I think, is well overdue for more major re-examination in terms of the impact it has upon different people in the province. So in saying that, Mr. Speaker, again that there is a problem here of trying to come up with a set of public policies which are really much more current with the times and have the ability to attack problems other than in an *ad hoc* way.

I'm particularly concerned, Mr. Speaker, about the issue of the property tax reforms. The issue is generated because a group of senior citizens undertook a correspondence with the Premier and others to indicate that the ability of the Tax Credit Program, the Rebate Program, was not in itself sufficient and they quarrelled with the Premier who indicated that some 87 percent of senior citizens, in fact, didn't pay any taxes, and I think that the Senior Citizens' Co-ordinating Council proved him to be wrong in that case and showed that, in fact, it is not true that there was still a high percentage of taxes being paid by senior citizens and an even higher percentage being paid by the general populace. In pursuing that matter a little bit further, Mr. Speaker, I discovered to my concern, that the City of Winnipeg has, according to the reports on the Canadian Tax Foundation, second highest rate of property tax *per capita* in the country. Two hundred dollars — this is the rate they made it for 1975 and I don't think they've changed that much since then. So that in fact what we're saying is that it's not just a property tax problem just for senior citizens, although they feel the heaviest impact of it, it's that our property tax system has been allowed to increasingly involve responsibility for more and more of civic expenditure without the accompanying relief coming from the other side. I think that that is in itself is a much more significant problem and if we had tackled that problem rather than just the much more specific problem of senior citizens, we might provide for relief or examination of all those who are being affected by the inequities in the property tax system.

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In would say, Mr. Speaker, I give you a prime example of a case that came to my attention just a few days ago, where, in a number of areas in my own riding, which are undergoing a number of high-rise developments, that because of the nature of the tax system as it is presently arranged, the assessments and tax roles of single family owners in those areas are being assessed according to the development potential, not according to the actual existing uses, and the effect of that is driving people out of their homes. The same thing of course is true in terms of land on the fringe of the City of Winnipeg. The property tax system again sort of tends to force people because the tax is based upon the development potential and the overall assessment based upon those potentials, as opposed to the actual existing uses, that the tax has become inflated in relation to the actual use of those properties.

So that one of the real problems that we are facing is that the present formula for assessing property taxes is really out of whack with the means of people who are living in those areas, and they get caught in the same way. Many of them also happen to be senior citizens. It's not just the matter of the overall tax rate, it's that they are being forced to pay artificial rates, rates that are made perhaps more suitable for a high-rise apartment, but have nothing to do or are not within the means of a single family owner, particularly those who have very limited incomes.

I would have been much happier, Mr. Speaker, to have seen the government addressing itself to some of those more serious problems in the Property Tax Bill, than simply saying we can provide a quick answer to this. In particular, Mr. Speaker, I don't think this answer, frankly, is an answer at all and I just don't base it upon my own authority. I would refer the Minister to the 1976 McMath Report in the Province of British Columbia, where they did offer a tax deferral system for senior citizens and the conclusion of that report, the McMath Royal Commission in British Columbia, is that it provided little or no relief at all for senior citizens. That in fact because the tax eventually had to be paid, it was just really a deferral program and the conclusion of that Royal Commission is that it really wasn't a very effective answer. So even if they were going to address themselves to the singular problem of what to do about senior citizens, the report of that commission is again, I think, fairly indicative because they've done their research on it. "That it provided very little relief," I think is the actual quote in that Royal Commission report.

So what may here, Mr. Speaker, is a placebo, you know, one of those sugar coloured pills that don't have any poundage to them, they just don't make any impact. You just take them to make people feel that they are going to feel good and it doesn't really have any solution; it doesn't have any therapeutic effect. So we may just be in the question of feeding people placebos in this case rather than really addressing the real problems.

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Mr. Speaker, it comes down to the question of what is it . . . Let's look at the problem itself. Is it simply in the area of inflated property taxes or is it also that the people's incomes are not able to keep up with the overall rise in costs related to maintaining themselves in their home. Taxes are only one component of that. Much more serious components are also the 20 percent raise in Hydro rates, water rates, and other forms of maintenance and utility services which are not in any way dealt with in this bill or in other bills. We are still assuming that Manitoba Telephone System can go off and build its computer facilities, add to its capital costs and therefore put additional costs on the telephone rates. Manitoba Hydro gets into its capital rating and I think what is really required . . . It's a big field, Mr. Speaker, and perhaps I don't blame the government for not wanting to get into it now but the basic way in which we fund and finance the public utilities in this province and assuming that because they are required by law to, through their rates, pay off all their debts on a current basis, it means that any time that the way that they expand and any form of expansion therefore has to be transferred to the consumer through the rate increases. Yet the Public Utilities Board which adjudicates on those rates has no basis upon adjudicating where the expenditure for all those frivolous activities are, in fact, warranted.

So Manitoba Telephone System is off doing its exotic kinds of investment and all sorts of engineering trips that may excite their upper-echelon officials who think that the Manitoba Telephone System should become the great Pooh Bah in communication technology and be in the forward advance. It's all right for them to do it except that it is the consumer who is having to pay for it.

So you start adding up telephone bills and hydro bills and water bills and all the rest of them because there has been no guidelines set as to what their rate increases should be. And frankly, Mr. Speaker, the thing that our group has always been concerned about has been exemption of public utilities and the property tax system from any basic guidelines that parallel those that were set down in the Anti-Inflation Program, that those have been excluded. They say, "Well those don't count, it doesn't matter." And yet it is those very rates themselves which provide some of the real pressure and the real intimidation upon people who have limited means in terms of being able to maintain themselves in their home. Yet we have done absolutely nothing to address ourselves to the problem of how can we maintain the rate of utility increases at an 8 percent level commensurate with that that is applied through the Anti-Inflation Program. There has been absolutely no thought or certainly if there has been thought, it hasn't been expressed in this House, about that particular problem. Yet I think that's just as serious and has as much impact, perhaps more, than this particular kind of placebo that we are dealing with.

I, therefore, would suggest, Mr. Speaker, that again, you know, we take a glancing blow at a problem; we reach out for the quick-start answer. We don't really adjust ourselves to some fundamental problems and yet I think it is very clear that the property tax system as we now administer it is out of whack and has a number of anomalies to it which create sort of undue hardships on different sectors of the population, that we haven't addressed ourselves at all to the whole question of the charges and rates for utilities for consumers and yet that, itself, adds an additional burden, additional pressures, upon senior citizens and others and we are not addressing that kind of problem.

You can even take the principle that is presumably in is bill one step further and say if you are trying to provide some relief for the additional costs of inflation to senior citizens in their own homes, what about the problems of the senior citizen who has limited income and who also happens to be living in an apartment block because they are having to pay the full tariff. And what is becoming very clear, even though the Minister of Consumer Affairs has not provided any information from his department but I can tell from the research I have been doing lately, that senior citizens — even with rent control — are in themselves not being able to bear the costs and that there are increasingly large numbers of people who have high proportions of their income — in the range of 30, 40, 50 percent — going in to maintain themselves in their own apartments. So, if the principle is important for senior citizens in their single family home, it is equally important for those who are in rental properties who are getting no relief. I think that the necessity for a rent allowance program is the obvious conclusion that is drawn from those remarks.

So, Mr. Speaker, again we come down to, that in this particular area there is a recognition of a problem, but there is only partial recognition of the solutions available. I would suggest, as we did in our Budget speech, that many of the means that should have been available to the government for redress of that particular problem have not been dealt with, and, in fact, have been ignored.

Now, Mr. Speaker, in the area of energy, that opens up a totally different set of conditions and questions, and again, we would say that we would go back to a resolution that we introduced in this House, I think, three years running, which pointed out time and time again that the Government of Manitoba — and it was true with most governments, including the Federal Government, including other Provincial Governments — does not have any kind of energy policy that attempts to bring together problems of conservation, distribution and sources. It simply doesn't have a policy, it has a series of isolated programs. Of course, one of the reasons is because there is no one specifically

designated in the government who has responsibility for developing a policy. There are some Ministers looking after Hydro, other Ministers looking after electrical kiddy-cars, other Ministers worrying about tax incentives or loans, and that we probably have in the Cabinet benches maybe six or seven Ministers all sort of cutting out their little piece of the problem. You know, energy is a very sexy item politically to be dealing with, so that every Minister seems to have been cutting himself — you know how it feels when you can go out and make speeches to local service clubs about how he is personally going to solve the energy problem by putting collectors on the roof or providing a loan here or a tax credit there, or whatever.

But, the fact of the matter is it still comes clear that you can't solve the problem in parts, which is what we have been trying to do. This is clearly illustrated in the bill that we have before us, that we have a program where we're going to relieve the development of solar energy installations on homes by taking off any increased assessment for property taxes. I would suggest, Mr. Speaker, that probably in the next year or so that might affect at most, 10 Manitobans, maybe 15 as an exaggerated total because the problem of introducing a solar system into your home is not one of the increased assessment. That is almost the least of the problems. A much more important problem than that is first gaining access to the technology, financing the actual implementation of the program and plugging it into the existing energy system. And there seems to be nowhere in the this Province of Manitoba where there is any assistance or help available in those areas.

So it's not a matter of the increased property tax assessment which is the deterrent to the introduction of a wider scale use of solar energy. The problem of solar energy implementation starts way, way before that. I think that anyone who is remotely interested in trying it out in a single family home finds a number of barriers to overcome, none of which are dealt with in this bill. So, again I would suggest that the solutions provided, if the recognition and the problem is that we want to develop an alternative source of energy, the solution that we provided is not a solution at all. Again, it's a placebo. It's a sugar-coated pill. It really doesn't answer the proposal. It's not addressed to it.

I would suggest, for example, Mr. Speaker, that if perhaps the Member for Riel — I was hoping he would elaborate because he's an acknowledged expert in the field — but it has been demonstrated, I think by the different articles and the monographs I've been able to read on the subject, that a much more effective way of introducing solar energy into usage, is to do it on a neighborhood municipal small community level. That's where it should really begin to take place as a supplement of existing energy sources.

If they are talking about the need to really rethink the whole question of the distribution of the energy supply, a fascinating study that I saw coming out of West Germany and Sweden indicated that close to 40 percent of the increased cost of new energy growth in the industrial world will be lost simply through the transmission systems. That as we develop bigger and bigger mega systems of energy sources, and stretch our transmission lines and distribution systems further away, that almost 50 percent of the energy is lost in the distribution. It never gets to the actual consumer and therefore the vast amounts of capital that we're spending on our energy problem is simply lost money. It is simply money that is not going to have any tangible output when it comes to driving a machine or turning on a light bulb or providing for the heating of a home. It is simply going to be lost. What they are suggesting now is that the development of alternative energy sources like solar energy should be a solution of that problem by planting those kinds of technical fixes into smaller scale communities and provide for a supplement to the existing energy sources at a much lower capital cost and far less energy loss in terms of transmission and distribution.

I don't see anybody in this province or elsewhere really talking about that as a real problem, that the critical question of energy is how are we going to get enough at a cost that our economy can absorb. In fact, I don't think we've found a solution to that. If we're going to look at alternative energy supplies we're certainly not going to get it by providing some minimum relief on the property assessment rolls for individuals having to do their kind of Daniel Boone thing in fixing up their own solar collectors. It must be done on a community scale at best to get proper benefit out of that kind of introduction of an alternative source. Otherwise it simply makes no sense whatsoever and will not make any sense.

You know the problem is that we're captured in a sense by time-lag in thought and by the conventional lag of engineers and technicians and I suppose policy-makers who have acquired a way of doing things. Boy, they get into a narrow track and say, "I know what's best. I studied it twenty years ago. Who's going to tell me anything new?" So, what we do is, we simply build bigger and bigger and bigger and at the same time the out-put gets smaller and smaller and smaller and the costs go up accordingly. It's an inverse ratio that we're dealing with in the development of energy resources. So I see a bill like this coming in saying, "Hey, the government now recognizes the need to do something in the areas of alternative energy." And then I look at the kind of miniscule measure that's being addressed.

Mr. Speaker, I would settle for that miniscule measure at this stage if I felt that the Minister of Finance or somebody, somebody over there had been addressing himself to those other problems. If

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there had been one Minister responsible, saying "My job is to come up with an energy policy. This is the first step and we'll follow with more steps next year and the following year, so it begins to evolve into something that makes sense." But we have not received any recognition that (a) there is a Minister responsible and (b) that any of these steps that are being introduced make any sense in terms of the evolution or development of an overall energy package. So, Mr. Speaker, we say what's the point? Is it really going to make much difference?

I think, Mr. Speaker, we can say the same thing when it comes to the loan program for home insulation. There are a number of issues that can be raised about what might have been done in addition to that loan program for home insulation. I think the Member for Riel has already pointed out that in the United States the Carter Energy Program has a number of additional steps to it, in terms of tax credits for insulation and beyond that. I point out for example, the reports that have been proposed at a couple of energy conferences held here in the last couple of years indicate solely that the whole question of retro-fitting is a much more efficient way, in addition to insulation, of addressing energy loss than pure insulation.

One of the, I think, important things that is now happening in the range of public utilities — electrical public utilities in the United States — is that they are putting in to their activities, each utility does an energy audit of the individual homes or apartments to do a retro-fitting program in each of those areas that deals not just with insulation but with how you address heat loss from chimneys and how do you deal with window losses and all the kinds of things, many of which were mentioned by the Member from Riel. In other words there was a number of other things that the insulation itself is only one component in trying to prevent energy losses in individual residences. A much more important kind of financial incentive would have been to address the problem of things like retro-fitting.

Equally, we could have been looking at the whole question of co-generation of energy in individual units, that the West Germans, interestingly enough, are now supplying close to 30 percent of their energy uses through co-generation, meaning that they use heat generated out of other mechanical . . . and other heat systems to heat residential properties. I think back to the old days of central heat in Winnipeg which we disbanded because we didn't think it was very efficient or very good. I gather that only about 4 percent of our heat supplies are presently supplied through co-generation. The West Germans are doing 30 percent. Now it would seem to me if the West Germans are able to get that figure — by the way it means that they have an enormous cost-saving in terms of developing their energy supplies — if they can get 30 percent of their energy through co-generation, it means that they're not having to go up and develop tar sands, and investing up in . . . branches and all the rest of those things in the same respect. But it would seem to me that that would have been again the kind of problem that might have been more effectively addressed or at least addressed in the sense that that is something we should be moving toward. How do we provide a tax incentive program for industry, for apartment blocks, for individual homeowners, to provide for a re-cycling out of their heat uses, to get much better use of the energy that we are already generating. When we get it, we don't say anything about it.

So, Mr. Speaker, again we are faced in this bill with a little bit of a gesture, some relief, some partial measures, but that the basic question, which I think has to be answered ultimately by some government in this province whoever it may be, is when and how are we going to address ourselves seriously to the issue of energy programs and policies in the Province of Manitoba, and from what I have seen so far, Mr. Speaker, with the present group of people, I am not so sure that they are able to do it any more.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: On a point of order, I believe that members are willing to start the Committee on Statutory Orders and Regulations now, so the debate can continue in the House, but I understand that the Committee will —(Interjection)— Yes, we will continue in the House, but the meeting on Statutory Regulations and Orders will be convening now, as soon as they can get it

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN: Mr. Speaker, I gather from the debate that has on so far on this bill that the members of the Conservative Party and the members of the Liberal Party are under some illusion that this bill was designed for the purpose of solving the energy problem in Canada or in North America. I quite frankly don't share that illusion. I believe that the major portion of this bill was designed for the purpose of reducing the cost of energy to individuals, regardless of their age or income, and trying to provide them some relief. This bill was to be used as an encouragement to those people to find some means of taking advantage of this bill so as to reduce the amount of energy that they would consume. I believe that's basically what the intent of the bill is. But, Mr. Speaker, it poses somewhat of a problem to me because we're under a constant form of bombardment from the government in Ottawa that the people of Manitoba, indeed of Canada, should be involved in a massive exercise in energy conservation. It's not unusual to hear suggestions that we should drive smaller cars, reduce the amount of energy consumption, reduce the speed limit — we have had that suggestion as well. We have had a suggestion that people should turn their thermostats down, wear a sweater. We have had a

suggestion that we should go around turning out all the lights and we should go around taking advantage of every possible energy conservation measure that is available to us. And I don't argue with that; I think it is necessary.

But what I have a difficulty with, Mr. Speaker, is that while we are preoccupied in the process of conserving energy, we have massive pipelines going south into the United States and the equivalent of the amount of energy that we conserve, we seem to find some way of opening the valves of this pipeline even wider so that we can export more energy. To me that doesn't make sense when you take into account the attitude of the Federal Government, the Liberal Government in Ottawa. Even though the Liberals in this House tend to attempt to divorce themselves from Liberal policy in Ottawa, they can't do it, because these are the same people who will actively participate in the election of additional Liberal candidates or Liberal people to send back to Ottawa representing the Province of Manitoba. They can't divorce themselves from it. They would have us believe that the policy of the government in Ottawa is that you send more energy down to the United States so that the Americans can turn around and manufacture more consumer items with which to send back to Canada.

I'll give you an example of that and I don't think it is any secret, that the Federal Government will be purchasing somewhere in the order of 18 or so Lockheed aircraft that at the last reported price of roughly \$2.5 million, manufactured with energy sent from Canada into the United States. We will in turn take these aircraft and use the remaining amount of energy that we have been able to retain in Canada by getting people to wear a sweater, turning out the lights, and driving smaller cars and reducing speed limits and all the other conservation measures that we will try to introduce, try to get people to adhere to — take the remaining energy and drop it into the fuel tanks of these aircraft to send a couple of people up and fly all around the country. To me that doesn't make sense.

More recently, we have been told that the Canadian government has agreed to purchase — again somewhere in the order of \$2 billion to \$2.5 billion, with no opposition whatsoever from the Opposition Party in Ottawa — to purchase war planes from the United States, again using the energy from Canada for the purpose of manufacturing the war machinery. We in turn spend our meagre resources to purchase that machinery and then use the small amount of energy that we have left, pour it into the fuel tanks of these monsters and let people fly around with it and look around for somebody to wipe out. To me that just doesn't make sense. —(Interjection)—

MR. SPEAKER: Order please.

MR. DILLEN: Mr. Speaker, I'm not going to try to convince the people of Manitoba, as the Liberals and Conservatives are attempting to do, that this bill was designed for the purpose of establishing some kind of a national energy policy, provincial energy policy, or any other kind of policy. What it is designed to do is to assist those people who are — and I can give some examples. I have people from the northern part of the province who, during the initial stages of construction of their homes, and some of them are quite old, who did not have the money with which to spend on insulation at that time. The question was to make a shelter so that the rain would run off and keep the wind out. So that this bill, with this assistance, at least will give them some relief and encouragement to put insulation into those homes. And for somebody who is spending somewhere in the order of 100 to 200 gallons of fuel oil per week with which to keep war i e e t e s e draughty and uninsulated homes, I believe that that will provide some valued relief and I am in support of this bill.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: Mr. Speaker, I'm prompted to rise just briefly — I don't often have the opportunity to specifically take to task the House Leader on a position that he so often and frequently puts forward.

I must admit, though, that the last speaker has confused me about the purpose of the bill. I mean, he suggests that the bill before us — and I'm addressing myself to that one particular aspect of the bill, namely the Insulation Assistance Act portion of the bill which I believe was prompted by a genuine desire on the part of the government to make a move, as small as it may be, in the kind of national mood, indeed international mood, of the necessity of conserving energy. Mr. Speaker, even if the Member for Thompson doesn't believe his First Minister who has made this a pet subject of his, when the First Minister, the Premier of this province speaks about the necessity of people, not only of this province but of this country, of the world, that we have to rethink our whole attitude, particularly towards the use of fossil fuels, about energy — I, for one, tend to believe the First Minister and I think he happens to be right. But the Member for Thompson doesn't. I must express some concern here, because this bill now obviously has absolutely nothing to do with energy conservation. It has to do with relieving certain people of certain aspects of the cost of living and the cost of their heating bills and what have you in this province. It has nothing to do with energy conservation.

Is that the purport, Mr. Minister, of this bill, or is there intended in this bill — as the Honourable Minister when he introduced the bill, as I believe when the First Minister was speaking and when other government spokesmen have spoken, they have indicated that there was intended in this bill — a desire to at least be in step, even partially, with the concept that we ought to husband our dwindling

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fossil FUEL RESOURCES SOMEWHAT MORE CAREFULLY.

It's in this sense, Mr. Speaker, that I would like to twig my honourable friend, the House Leader, just a little bit, who on so many occasions has stood up in this House and has said, and has prided himself on saying, "Look, I don't really care what you call legislation. You can label it whatever way you want to — Socialist, Communist, Capitalist — as long as it makes sense. If the legislation makes sense and if I can show the people that I'm responsible to that it makes sense, then it's good legislation." That's a position that the House Leader has taken, generally, in proposing propositions towards this House.

Well, then, Mr. Speaker, let's examine the proposition before us. Mr. Speaker, I have on the odd occasion . . . I am prompted by my House Leader, and by my Deputy Leader, they remind me that I haven't always been all that careful with my factual representations in this House. There has been the odd occasion when I used percentages terms that they may have been somewhat loose. However, Mr. Speaker, on the best of information from none other than my friend, the Member from Riel — who I'm glad is now close to me again and can rein me in on these occasions — indicates to me that certainly a majority of the energy used in the province is used in the commercial field by apartment buildings, by office buildings, by factories and by plants.

Now, if the concern is to conserve energy, and if this bill is meant to do that, then surely in very graphic terms I can indicate to the Honourable House Leader how he, too, is prepared to divert from that position and how that position is not quite true when he puts it forward to us in this House that he is guided by what is right, what is good, and what is logical.

I suggest to you that the principle in the bill is to make some move at conserving energy. That is the principle of the bill. If that isn't, then I would ask the Minister, who moved the bill, to suggest that that is not the bill. He will have an opportunity to say that that is not the principle. But if that is the principle of the bill, then I want the House Leader to explain to me why a 20-storey apartment building on Roslyn Road that has the capacity of wasting X millions of international BTUs of energy, if it is poorly and inferiorly insulated, as compared to that little here, residential owner as the bill spells out, that's living in the shadow of that apartment building, and that single owner dwelling has a capacity of perhaps wasting only several thousand BTU . . . s of energy per year if poorly insulated That is who we are legislating for.

So really, we have thrown out the principle that we are concerned about — the wastefulness of energy conservation. Mr. House Leader, you are simply vote-getting in election year, and Mr. House Leader, I am saddened by that fact. And Mr. House Leader, don't stand up and pontificate to me in this House again that you are prepared to put forward positions simply because they make sense, they are logical, and they will be accepted that way.

You are not interested in energy conservation in this bill. You don't give a tinker's damn how wasteful energy is expended in this country. You haven't listened to . . . And that makes me believe that the First Minister isn't sincere when he has put his pious and pontifical remarks about energy conservation that have just about led him to the Chairmanship of the National Energy Board, or such other prestigious federal appointments that undoubtedly he will get, that he doesn't believe in them either because the role isn't energy conservation. Sixty-five percent of the heating energy used is used in space-heating in the commercial buildings. But because of a political doctrine position that you have difficulty with, you cannot find yourself extending an incentive; you cannot find yourself extending an assistance to the commercial sector of our society. Because you count heads and you count votes and I give you full credit for that. Mr. Speaker, I give him full credit for it. It's election year; I can count votes just as well as he does.

But the bill in front of us has not to do with votes, has not to do with who wins what election. I would like to think the bill in front of us has to do with the conservation of energy, or at least some measure in that direction.

As the Honourable Member for Riel has pointed out, you know we really have to take a second look at what we, as Canadians, are doing when you consider the pretty bold moves that have been taken by the jurisdiction to the south of us, who don't face the same environmental harshness, and don't face the same potential waste of energy that we do in terms of weather and heating.

I couldn't resist, Mr. Speaker, the opportunity that this particular bill gave me to indicate to my friend and colleague, the House Leader, who on so many occasions likes to stand up in this House and indicate, "Look, I stand up for legislation. I move legislation forward on the basis that it is common sense; it's logical." And I ask again the question, what is the principle of this bill?

Despite the comments of the Member for Thompson — I must admit the Member for Thompson has confused the issue. If the Member for Thompson is correct then the first thing we ought to be doing is removing the sales tax off of hydro bills. That's the very first thing we ought to be doing. If it is a question of relieving just the cost of energy, that's the very first thing we ought to be doing. We ought to be thinking about relieving — particularly in the areas of the north — the taxation, the motor fuel taxation, that we impose on some of the energy that we use, that is used either in transportation or in other matters. I recognize that taxes aren't imposed on heating fuels.

But I suspect the Member for Thompson really doesn't represent the correct position of the government on this bill, or of the Minister on this bill. I believe, if I remember correctly when this bill was introduced and when it was referred to in the Budget and in other speeches, that this was — along with the loan feature involved in the bill that made it possible for the individuals to acquire necessary immediate moneys to insulate their homes better — that the principle for insulating their homes better was not simply to make the insulating companies rich, not simply to sell more insulation material in this province; the principle of the bill surely was to recognize the principle that is slowly dawning on all of us on this planet earth, that we ought to be cautious, we ought to husband our energy resources better than we have in the past.

That surely is what the First Minister talks about when he gets the platform and the stages of whatever meeting that he is addressing from time to time. That surely is the principle of this bill.

Now if that is a principle of this bill — and I invite the House Leader to suggest to me that it is not the principle of the bill. If energy conservation is not a major feature of this bill, then let him tell me that and I'll retract these remarks. But Mr. Speaker, if energy conservation is the major feature of this bill, then to exempt the major users of energy just doesn't make sense; just isn't logical, only, of course, if you understand the ideology behind the movers of the bill. Then it makes sense, then it becomes very clear, and then we understand.

MR. SPEAKER: The Honourable Minister of Finance will be closing debate.

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, I appreciate the comments and I'm surprised somewhat at some of the speeches that have been made. Perhaps I'll deal with the Member for Lakeside first. He asked me, "Is this an energy conservation; will it lead to energy conservation?" Yes, it might.

"Was it also a bill to assist people to save in what is now a very large part of their costs, and that is the cost of heating homes?" Yes, that is also the purpose of it. Because home heating has become a matter of considerable import to people's budgets and when we are faced with the problem of having to live with presently high cost of heating, gas, oil, in particular, and the known fact that it is going to keep going up and to simply ignore it would be short-sighted.

I indicated at the time that this bill was discussed both, I think, in its introduction and during the Budget, that we had made known to the Federal Government that we feel very strongly that there should be an a national energy policy, there should be a national policy, not just a provincial policy, to deal with the entire question of energy, oil, gas, etc. We indicated that Manitoba has taken the position, that in our view there is no need for an increase this coming July of \$2.00 per barrel and we oppose it. We have also indicated to the Federal Government that we urge them to expand their existing program which is now available in two Atlantic provinces, to expand that elsewhere so Manitoba can take advantage of it. In order to tie into that program, we recognize there should be certain things Manitoba would have to do and we indicated we are prepared to do them but rather than sit back and to wait for that day to occur — and I think it will — we have said to the Federal Government, we will move on our own to show our interest in and our intention that this is an important matter, we recognize it and we are prepared to move on it. And we are moving on it. We are moving on it by making available to people up to \$1,000 on a long-term basis so that the savings will more than be equal to the amount of the monthly payments they will have to make. In any case, they won't be higher so they will not be out-of-pocket, recognizing that in many cases people can't afford it, which brings me to the question of commercial.

Members know darn well that if you are running a business, all the costs that may be associated with insulation or recycling or what-have-you, are all costs that can be charged off against the operation of the business. They are tax deductible and therefore the commercial business, the businessman has a means of writing off this cost. A homeowner hasn't got that means. The only way he is going to benefit is if he has a lower heating bill at the end of the month. In order to help him have a lower heating bill, we are providing this particular legislation so that he can borrow the money in order to end up with a lower heating bill. It is not all that complex and to try to make a federal case out of it as some members opposite are doing is, I think, trying to set up a straw man so they can then knock it down. But it is simply this: Will there be energy conservation? Yes. If my bill at the end of January is 25 percent less than it was a year ago, then there is energy conservation. It also is a saving to me so it works both ways, so the two are complementary to one another.

But, in the final analysis, if you're talking energy conservation in its totality, then it has to be on a national basis, it cannot be one province, and I have to say to the Member for Fort Rouge, with all due respect to him, the whole question of energy conservation, of other modes of energy creation, is not something that is going to be resolved in Manitoba. It is an international problem. I am sure that the best heads internationally are now seeking a solution.

We know that the first flush, the first news about solar energy, the first excitement about it has diminished somewhat as the word has now come out that it is not the entire answer, that it is very costly, that the amount of savings or the efficiency of it is not very great and that the first ideas that we could also discard our furnaces or all discard our traditional heating and we'll simply look to the sun

for OUR HEAT, I think that's been all sort of put aside with the recognition that we have a long way to go. I don't see that particular area as having the answer for many many years to come. But that doesn't mean that some people aren't going to be trying to supplement the method by which they heat their home and there was a story, as a matter of fact a few months ago, where someone in Winnipeg did have an idea that he wanted to try out but, in doing so, he found that his assessment would have increased to the point where any possible saving would have been more than eaten up by the extra taxes that he'd have to pay on the assessment. So it is really to meet that kind of dilemma and that kind of problem where the province has said, all right, by all means, don't let this stop you. If you feel that you can introduce something in the way of solar heat or some other new innovative idea, then the municipality shouldn't suffer for it and we will simply pay to the municipality on your behalf so that you are not discouraged from doing what you think might be a good idea and may be a poor idea. It may end up that he not only doesn't save heat; it may cost him twice as much in the end. I don't know and neither does anybody at this point in time because no one has the answer.

Reference was made to West Germany. Sure, there are experiments going on in Canada, United States, every country in Europe and every country in the world I suspect there are experiments going on now. When a solution will be found, I don't know, but certainly it isn't something that can be resolved in one province the size of Manitoba when in fact it is a world-wide problem and not something that we can resolve right here.

Mr. Speaker, the other matter that was discussed was, I believe, the question of the property tax deferral and the statement was made this is not really an elimination of taxes at all, it is simply a deferral and no one ever said it was anything but that. I never for one moment said that this was going to eliminate property taxes for senior citizens. Frankly, I don't accept the argument that because one hits the magic age of 65, that then one is entitled to say, "I have paid my debt to society and I am not paying any longer." You know, the principle that everyone contributes to education whether they have children in the system, whether they use the system or not, that was established a long time ago, decades before the Member for St. James and I were ever in this House. —(Interjection)— I don't know. Well, thank you for the . . . 1890, 1890. Anyway, it was long before he and I came on the scene. I recall, Mr. Speaker, that in the Fifties when I first went on the school board, the first request I got, within days literally of being elected, was a delegation of three, at that time, senior citizens who said, "Look, we paid our taxes when our kids went to school. Now, here you are a bunch of young newcomers after the war, busily having babies, you're running up the cost of the educational system. We paid when our children were in school, now let us be, we shouldn't be paying educational costs." I didn't buy the argument then. The interesting thing is that those people who were benefiting from that kind of situation back in the Fifties who are now at age 65 have now picked up that same pitch. They are now saying whereas they didn't in the Fifties, they objected when the senior citizens of those days made the argument — now these people are saying, "We have done our bit; now our children are out of school; we paid at that time; now we don't have to pay."

Mr. Speaker, the principle that everyone pays for education has been long established whether you pay through property tax or through income tax or what-have-you, that principle is established. What we have got in Manitoba, though, is very different than what occurs in other provinces. We have got a tax credit program which is unparalleled in Canada. I say 34 percent have not just their education tax paid for — 34 percent have their entire property tax paid for. An additional 33 percent qualify for the full \$375.00. Mr. Speaker, I suggest to you the number of people therefore who find the education component of their property tax onerous is very very slight. But because it is slight — and I don't think there are going to be too many people taking advantage of this — but because it is something that I recognize in elderly people can be a matter of concern, psychologically it bears on them, it worries them, it concerns them, and because you hear the story — whether true or otherwise — about someone who says that he is faced with losing his house because he can't pay his taxes, all we simply said was, "In that case, Mr. and Mrs. Senior Citizen, don't fear, you are not going to be thrown out of your house. The property is not going to be foreclosed on you; you will not lose it for tax sale; the province will pay to the municipality on your behalf that amount over and above the tax credit which is coming to you — the \$225.00 off your taxes — the province will pay that amount and it is a deferral." And they say, "Well, it's a deferral; it's not fair." Who is it not fair to?

If the concern on this side of the House is as it should be on that side of the House, the people who are now residing in these homes, their homes which have been their homes since the day they were married, they brought up their families and they want to stay there, they will be able to do that. If you are telling me that the tax is deferred and eventually it is a charge-back on that house so that the estate when it passes on will be worth a couple of thousand less, well, of course, what's so terrible about it. In the meantime, these people have had the use of this \$2,000, otherwise they would have had to somehow find that money. So that sort of arithmetic really is of no consequence. This is simply to meet what was perceived as a possible need and I will be very curious whether in fact that many people take advantage of it because of the fact that we happen to have the kind of Property Tax Credit Program we have. If we didn't have it, I think there might be more people taking advantage of it. I don't

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really THINK IT IS GOING TO BE MUCH BUT IF IT GIVES PEACE OF MIND, IF IT GIVES PEACE OF MIND TO ONE PENSIONER, THEN IT IS WORTH IT. It's as simple as that. I think that's all it is. One person. If it gives them peace of mind so they can say, "I don't have to worry about losing this house," then I think the objective of the bill will have been achieved and that's all we ever claimed for it. it, Mr. Speaker, we never claimed it to be anything else.

The member indicated — one of the members, I think it was the Member for St. James — questioned about the municipality and the cost to the municipality. Mr. Speaker, with all due respect to the Member for St. James, I think that the municipalities and their councils have as much concern for their residents as the Member for St. James or I have. I think the municipalities are going to welcome this because I think they share the concern for their pensioner resident who may be having difficulty and who is frightened of losing a home if that is the case. I can't for the world of me see the municipalities saying, "Well now, there's a cost involved and a time involved and somebody may have to keep records. It's too expensive for us. We don't want to bother."

I don't believe any municipality or any local councillor who is elected to represent his constituency is, in fact, going to simply adopt the attitude that we don't want to bother unless you pay us or something of the kind. I think the local councils have the same concerns that we had; they have indicated those in the past and I think that they will gladly work along with the province, particularly when they are not going to have to do what was their fear was before. They are not going to have to call on the other residents of that municipality to pick up the slack because of unpaid taxes if they deferred them at the municipal level. So they are not faced with that; the province is going to, in a sense, bankroll it and so the municipality is still going to be collecting its taxes whether it gets it from the individual or from the province itself.

Mr. Speaker, I'm trying to recall, I think it was the Member for Fort Rouge —(Interjection)— He's not here; okay then, I'll ignore that. No. Basically he talked about Canada not having an energy problem, etc., and I am not going to argue with him on that basis except to say that he, in Manitoba, is not going to resolve the Canadian energy problem, nor the world-wide problem.

But, Mr. Speaker, those are some of the comments that I heard. I missed some of the debate, unfortunately. I know that the Member for Riel spoke about the criticism about the commercial aspect and, as I indicated to him, they are in a position where they can write-off and charge-off against the operation whatever they do, whether it is repainting the building or putting in insulation; it's the bottom line that counts as far as they are concerned. They can charge it off and therefore there is no need to give them an incentive but there is a need to give the homeowner some means of financing insulation so in the long run the homeowner can save money and, in the process, conserve energy as well. So it is a double prong in that regard.

Mr. Speaker, with those few comments, I am closing debate. There may be some amendments in this bill. I know there is one that is being worked on now as a result of discussions between the assessors of the City of Winnipeg Department and the Municipal Planning Branch but those are of a technical nature and I will bring those in during Committee of the Whole. but there may be others.

QUESTION put MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, we are going to be in session again tomorrow at 10 o'clock and at 2:30 as well but the Committee on Statutory Regulations will be meeting tonight. I would also like to schedule Agricultural Committee for tomorrow afternoon at 2:30 so that those people who are presenting briefs will be given another day. If not, then the Agricultural Committee will meet in any event to deal with clause-by-clause consideration of the bills before the Agricultural Committee. So that is tomorrow afternoon at 2:30. From now on until they finish, it is Statutory Committee on Regulations for the Family Law.

I would move, Mr. Speaker, seconded by the Honourable Member for Riel, that the House do now adjourn.

MOTION presented and carried and the House was adjourned until 10:00 a.m. Wednesday morning.