

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, March 24, 1980

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the honourable members' attention to the gallery, where we have 40 students of Grade 9 standing from St. Norbert High School, under the direction of Mr. Nash. This school is in the Constituency of the Honourable Minister of Health.

We also have 40 students of Grade 9 standing from Hedges Junior High School, under the direction of Mr. Speirs. This school is in the Constituency of the Honourable Minister of Cultural Affairs.

We also have 25 visitors from the Golden Rule Seniors Club from Osborne Constituency. This is the Constituency of the Honourable Attorney-General.

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

Presenting Petitions. . .Reading and Receiving Petitions. . .Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): Mr. Speaker, I beg to table the Annual Reports of both the Channel Area Loggers Limited and the Moose Lake Loggers Limited for the year ending March 31, 1979.

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

NON-POLITICAL STATEMENT

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS: Mr. Speaker, I would ask leave of the House to make a non political statement.

MR. SPEAKER: Has the honourable member leave? The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, on Sunday, March 29th, a team from Manitoba out of the Heather Curling Club of St. Boniface, won the Seagrams Mixed Curling Championship of Canada - of this year, just yesterday. The team consisted of skip Jim Dunstone, third Carol Dunstone, second Dell Stitt, and lead Elaine Jones. During the week, the Manitoba team won 9 and lost 2 games and gained a bye into the final against Prince Edward Island. The final was won. . .oh, may I just correct, March 23; thank you very much. I'm not a clairvoyant and I shouldn't have mentioned the 29th; it was the 23rd. The final was won 8-4 in two extra ends. The lead, Elaine Jones, had gained some of her curling experience, curling with one of your well known Deputy Speakers of the Manitoba Legislature.

I would mention also that prior to going to the championship, the complete team was honoured here in the Legislature by all of the members of the Legislature and they were here for strategy meetings and advice. The advice, to give it your best go, appears to have paid some dividends and I would like the members of the Legislature to join me in congratulating the worthy representatives from Manitoba, the Dominion Mixed Curling Champions.

Thank you, Mr. Speaker.

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MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes. Mr. Speaker, I was rising on a matter preceding Oral Questions, a matter of personal privilege and a matter of Privileges of the House.

I have noted, Mr. Speaker, that the Honourable Member for Roblin, in a report to his constituents appearing in the March 12th issue of the Grandview Exponent, stated as follows: "The NDP, under their leader, Howard Pawley, and supported by..."

MR. SPEAKER: Order please. May I suggest to the honourable member that reports printed in newspapers are not proper Points of Privilege of this Chamber.
The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Speaker, this is not a newspaper report. This is a report from the Honourable Member for Roblin.

MR. SPEAKER: Order please. I have ruled that it is not a Point of Privilege.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, since today's date is a deadline for response by the Minister of Education to the Winnipeg School Division No. 1 pertaining to their request this past Friday, a question to the Minister of Education: Does he have information for the House pertaining to any announcement pursuant to the request by the Winnipeg School Division No. 1?

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I have no report or no announcement to make at this time.

MR. PAWLEY: Mr. Speaker, in view of the Minister's response, in view of the fact, I believe, that 12:00 midnight will be the last opportunity for response, will the Minister have any response between now and 12:00 o'clock tonight?

MR. COSENS: Mr. Speaker, I don't anticipate any announcement before that particular hour.

MR. PAWLEY: Mr. Speaker, a question to the Minister of Resources. I believe the Minister, as well as myself, has come in possession of a draft memorandum agreement pertaining to Garrison, and in view of the Minister's answers this past Friday that no such draft existed, I would ask the Minister if he would provide some explanation to the House as to the existence of a draft memorandum of agreement pertaining to Garrison?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): I think I must correct a couple of misleading statements, Mr. Speaker. I don't believe that I denied the existence of any memorandum of understanding, as it was termed, and I cannot answer for events that take place between governments in the United States. I believe the piece of information that the Leader of the Opposition has is two or three typed pages headed "Memorandum of Understanding", it has to my knowledge no signatures on it, indicating that it would be something that would normally be considered to be a Memorandum of Understanding, but as I understand it, is really a listing of a number of options which were under discussion between governments in the United States. And to this point I am quite satisfied that the position of the United States government has not changed.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, a question to the Minister of Health. In view of the statement made by the President of the Health Sciences Centre, Peter Swerhone, to the effect that there was a closure of beds at Health Sciences Centre taking place due to a nurses' shortage in the province of Manitoba, and the Minister's subsequent statement suggesting that the closure was the result of plans that were in operation all along, does the Minister in fact deny that the shortage is due to a nursing shortage in Manitoba?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my information up to the moment is that there have been no beds closed at the Health Sciences Centre save for four out of a ward of 16 in which the other 12 beds were not in use. It was considered economically non-viable to continue operating that ward and those four beds were redistributed among other wards of the hospital. There have been no beds closed due to a nursing shortage.

I do want to say to the honourable gentleman and to the House though, Mr. Speaker, that we face in Manitoba, and indeed right across Canada, a potential shortage of nurses; and at the instigation of my office some week or 10 days ago we initiated a meeting with administrators of the hospitals in urban Winnipeg and with the Manitoba Health Organizations to get a reading on their situations with a view to developing an attack on the problem.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Health relative to the recent proceedings concerning a medical practitioner in the province of Manitoba.

Is the Minister maintaining an overview with regard to these proceedings to make sure that the philosophy of the practice of medicine in the province of Manitoba will not be limited merely to the curing of people who got sick but the keeping of people well, which is accepted medical philosophy throughout the world?

Is there any danger that the decision of the college is going to be such as to preclude legitimate practice of medicine with somewhat different means than are practised by orthodox medicine?

MR. SHERMAN: I would think there is no such danger, Mr. Speaker, and I want to reassure the Honourable Member for Inkster that I share an interest in the development and application of the most responsible, reasonable methods of preventive medicine as, I'm sure many other Manitobans do and as I'm sure the medical profession does.

I can only say with respect to the particular situation to which the member refers, that an interim report of the inquiry committee has gone to the doctor in question and has gone to the executive of the College of Physicians and Surgeons and it is my understanding that the doctor in question will be given the opportunity to meet with the executive council of the College to discuss the disposition of that situation further.

MR. GREEN: I wonder if the Minister, on behalf of the citizens of Manitoba, would also apprise himself as to the full implications of the report and satisfy the House that the College of Physicians and Surgeons will not be given such power as to preclude a legitimate form of the practice of medicine in the Province of Manitoba.

MR. SHERMAN: I will, Mr. Speaker, but I think in doing that I'm only underscoring or underlining an approach that is already in existence in the province and I think an approach with which my honourable friend was very familiar when he was Minister of Health and when he was in the Executive Council in other capacities in this province.

The College of Physicians and Surgeons is charged, as my honourable friend well knows, with the maintenance of the highest standards of medical practice and the

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protection of the public of Manitoba in the context of medical practice. I think that they have studiously pursued that objective and that ethic at all times.

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

MR. GREEN: Yes, Mr. Speaker, I want to assure the Minister that it is directly because of my acquaintanceship with the powers that are given the College that I put the question. Since the College is now given virtual authority to decide on what constitutes a legitimate practice of medicine, would the Minister see whether this authority is in danger of being abused so that a different philosophy of medicine, but one which might be equally valuable to the citizens of the Province of Manitoba, is not precluded. And, Mr. Speaker, I hasten to say that I don't know. I'm merely asking the Minister to satisfy us with respect to that particular problem.

MR. SHERMAN: Yes, sir, I will do so, and I might I also further reassure my honourable friend by reminding him of something that I know he is already aware, and that is that the doctor in question, and any doctor in any situation of this kind, has various avenues of appeal open to him, even up and unto the Court of Queen's Bench.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, a question to the Minister of Health on the same matter. On Thursday, March 6th, the Minister said he had asked for a report on the results of this particular hearing and I wonder if the Minister has now received the interim report on this hearing of Dr. Owen Schwartz?

MR. SHERMAN: No, Mr. Speaker, I haven't. That interim report has gone to the doctor in question and to the executive committee of the College. It has not come to me. I have no knowledge of its contents. News reports speculating on what it said are entirely news reports speculating on what it said.

MR. McBRYDE: Well, Mr. Speaker, the College has not denied that the inquiry committee has recommended a three-month suspension of Dr. Owen Schwartz who emphasizes nutrition and lifestyle changes rather than the use of drugs in medical treatment. I wonder if the Minister would now be prepared to intervene in this important matter and make his opinion and the opinion of people in Manitoba known to the College.

MR. SHERMAN: Certainly not at this juncture, Mr. Speaker. I haven't received a report yet, but I expect to get one. I would only offer the caution that, as my honourable friend knows from his own experience in the Treasury Benches, that there are often three or four or more sides to a story and no one, as I understand it, is challenging the concept of preventive medicine but there are other factors in terms of the responsible adherence to medical ethical responsibility that have been examined, and that is the issue in this case.

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

MR. McBRYDE: Mr. Speaker, then I would like to ask the Minister, in what manner will the Minister ensure that a doctor who practises holistic preventative medicine, and who is willing to do more than just dispense drugs is not punished by the existing medical establishment, just because he uses a somewhat different practice, in what manner will the Minister make this known to the College or express his views in this manner?

MR. SHERMAN: Well, in the manner, Mr. Speaker, that I give my honourable friend the assurance that I will address it assiduously. I simply say to him that there are other factors involved, and it is not simply a question of preventive medicine, which is a concept to which we all subscribe. When I get the report, perhaps I'll know a little more about some of the aspects of it, which up to this time have only been conveyed to me in fragmentary form.

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MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker, my question is directed to the Minister of Health. In view of the Minister's statement that, according to his knowledge to date, no beds have been closed, could the Minister look into information that I've received that four wards at the Health Sciences Centre have been closed already, and that a further two more wards are planned to be closed. The information I received from some doctors is that four wards have already been closed. Can the Minister look into that contradiction between reports that I've been receiving from doctors and reports that, apparently, he's been receiving from his staff with respect to bed closures?

MR. SHERMAN: Well, I can certainly look into, Mr. Speaker, but I have looked into it. I'll look into it again. I have looked into it and I can assure the House that my information is that no beds have been closed at the Health Sciences Centre due to a nursing shortage or an impending nursing shortage. There have been a great deal of changes under way at the Health Sciences Centre in concert with the \$10 million worth of construction that's going on there at the present time. There was also an agreement between the hospital and the head of geriatrics, that the geriatric ward would be reduced from 50 to 36 beds, and the other 14 would be diffused through the hospital. That, I think, has taken place, but that does not represent a bed closure in the sense in which one of the media referred to it over the weekend, and it does not represent a bed closure related to nursing shortage.

MR. PARASIUK: A supplementary to the Speaker. Despite the Minister's implying that what's taking place at the Health Sciences Centre is part of a normal plan process, could the Minister confirm and explain why the president of the medical staff council at the Health Sciences Centre has, on March 20th, sent out a letter to all medical staff requesting their attendance at a special meeting of the medical staff on Wednesday, March 26th, 1980 in the gymnasium of the Community Services' building, with the sole issue to be discussed being bed closures. If, indeed, this is part of just some normally planned process, why does the president of the Medical Staff Council have to send out a letter requesting an emergency meeting on this item?

MR. SHERMAN: Well, Sir, I am aware of that meeting and I am aware of that notice. And I think I said in answer to a question asked by the Honourable Leader of the Opposition that there is a potential nursing shortage in Manitoba, in Alberta, in British Columbia, and in Ontario, and we are moving to address that. But what I am trying to give my honourable friend the assurance of is that there have been no bed closures related to the nursing shortage at the present time, and that certainly every avenue will be undertaken by my office, and by the administration and the board of the hospital, to ensure that bed closures are not necessary. And if they are necessary, that they are temporary and last only as long as it takes to hire a replacement nurse.

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

MR. PARASIUK: Yes, Mr. Speaker, I would like to inform the Minister that we are talking about bed closures of any type, not just those relating to nursing shortages. And can the Minister confirm that, as a result of the badly-communicated shutdown of beds at the Health Sciences Centre, acute care patients from the general hospital section, have been moved into the rehab section of the hospital; and that conversely, because of the incompetence of this government's actions, extended care patients are being forced to plug up acute care beds in this general section of the Health Sciences Centre, leading to complete chaos at that institution at present time?

MR. SHERMAN: No, Mr. Speaker, I can't confirm that. What I can confirm is that \$10 million worth of \$138 million worth of redevelopment is going on. The staff is aware that it's going on. Obviously, there is equipment, there are

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units, there is sophisticated material being moved around, there are beds being shifted and changed, there is some dislocation and disruption. There will also be 175 beds closed in concert with the opening of Seven Oaks, and so there may be some of those adjustments that are taking place at the present time. I have described one or two of them to the honourable member. Beyond that, Sir, I am not prepared to confirm the suggestions of the honourable member, because they are not accurate.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question also is addressed to the Minister of Health. Is it not a fact that when the redevelopment plan was agreed to in 1978, the closure of certain beds at the Health Sciences Centre was scheduled for October 1980, not for the spring of 1980? And further, could the Minister advise the House when the decision was made to close the Health Sciences Centre beds upon the opening of Seven Oaks? Because this was not an understanding when the city approved the Seven Oaks facility a number of years ago, and when the city made its commitment regarding the donation of land and the million dollar start-up costs. Those were not agreed upon at that time, and I don't believe. . .

MR. SPEAKER: Order, order please. Order. The Honourable Attorney-General on a point of order.

HON. GERALD W.J. MERCIER (Osborne): On a point of order, Mr. Speaker, I think you have often cited to members Citation 171 from Beausheune, stating that observations which might lead to a debate cannot be regarded as coming within the proper limits of a question. The purpose of a question is to obtain information, and not to supply it to the House. I suggest, Mr. Speaker, that the Member for Fort Rouge has gone far beyond that citation.

MR. SPEAKER: I thank the Honourable Attorney-General for bringing that to my attention. I hope that it is also brought to the attention of all members of the Chamber.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Then may I without comment ask the questions, please. Was the proposed date for closing of beds not October 1980, and when was the decision made to close Health Sciences Centre beds upon the opening of Seven Oaks?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, the date was never specifically October 1980, because it was never possible to ascertain accurately, particularly in view of a construction strike that occurred during the summer of 1978 and also to a survey of the whole bed spectrum that was being undertaken by this government, precisely when the doors of Seven Oaks would open. So I can assure the honourable member that it was never specifically pegged for October of 1980. It is now pegged for sometime between the spring and the fall of 1980 because the hospital will be opening this year and obviously those operations have to be phased in and dovetailed. They can't all be done on precisely the same day or one specific date.

With respect to her other question, I don't know what the City of Winnipeg committed, and I can't speak for the previous government, but this government said in 1977 when it addressed the Seven Oaks question, and in 1978 when it approved Seven Oaks, and done with the full knowledge in concert with the Health Sciences Centre board and administration, that 175 beds would be off-loaded into Seven Oaks once it is opened, out of the Health Sciences Centre. There has never been any question about that, Mr. Speaker.

MRS. WESTBURY: Mr. Speaker, I wonder if the Minister would assure the House that sufficient funds will be provided to the schools of nursing so that they can recruit a full class or a larger class in the fall of 1980?

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MR. SHERMAN: Mr. Speaker, I think the honourable member should redirect that question to another of my colleagues who has responsibility for Education.

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

MRS. WESTBURY: Mr. Speaker, if the Minister is considering abolishing the Manitoba Health Services Commission later this year, would he consider replacing it with specific boards for specific responsibilities?

MR. SPEAKER: Order please. May I suggest to the honourable member she is asking for a statement of policy and the question of policy is more properly handled by the government itself.

Does the Honourable Member for Fort Rouge care to rephrase her question?

MRS. WESTBURY: Is the Minister proposing to abolish the Manitoba Health Services Commission later this year?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Certainly not at this juncture, Mr. Speaker.

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

MR. SAUL CHERNIACK: Thank you, Mr. Speaker. I'd like to address a question to the Minister of Health, who has expressed interest in professional standards, to inquire whether he has launched an investigation, an inquiry, rather, on the assessment of the professional standards of the pharmaceutical profession, in the light of the fact that the president of the pharmacists has rejected the study prepared for the Canadian Conference of Continuing Education in Pharmacy?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, I haven't launched an investigation or an inquiry of a formal high-profile nature, but I certainly have asked the Manitoba Society of Professional Pharmacists for a response to that survey and to the reports of the survey that were carried in the press on the weekend.

MR. CHERNIACK: Mr. Speaker, may I ask the Minister, in view of the fact that today's newspaper, today's Tribune reports a statement made by the president of the Pharmaceutical Association attacking that study, whether the proper source for information for the Honourable Minister on professional standards is the professional body itself?

MR. SHERMAN: No, not in its entirety or exclusivity, Mr. Speaker, but I've also initiated, through my office, an inquiry into the survey itself, the sophistication of it, the technique and the quality of it, and pending results from those two inquiries, which as I say are not high-profile investigations, they are simply inquiries of a responsible nature that I think anybody in the position would undertake, I will then hopefully have some information that will enable us to conclude whether the survey was accurate and if so, what the next step should be.

MR. CHERNIACK: Mr. Speaker, I would ask the Minister whether he believes that the standards, the quality in his own department of assessing a study made by two University of Manitoba health researchers for the Canadian Conference of Continuing Education in Pharmacy, and the president of the Manitoba Pharmaceutical Association, whether his department has the competence to assess the differing points of view on professional standards as enunciated by these two presumably authoritative and responsible bodies, and whether it wouldn't be better for him to set up a low-profile but nevertheless authoritative and competent body to assess the problem between the two, since it is a matter, I believe, of urgent public importance.

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MR. SHERMAN: It may be, Mr. Speaker - and I don't dispute the import of the honourable member's question - it may be. I would like to have some initial answers first to determine where we go from here. I have asked for some of those initial answers. Ultimately it may be that this kind of investigation should be carried out by the Manitoba Health Services Commission or by another body appointed for that purpose altogether, but I don't have the initial answers I have asked for at this point so I would withhold that kind of a step temporarily.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, my question is to the Honourable Minister of Health. Can the Minister give the amount of money he received from the federal government for health in this province, that is, the money earmarked for health under the present funding formula?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: For 1979-80, Mr. Speaker, it was \$281.5 million. I can't tell my honourable friend what it is for 1980-81 at the moment off the top of my head, but I can certainly get that information.

MR. DESJARDINS: Thank you. To the Minister, I would like to ask now, there is an article that concerned me. It talks about the takeover cost at Deer Lodge Hospital. It seems that negotiations are going to start. Negotiating has been done over a number of years, and isn't it a fact that if there is a takeover, that it will cost to maintain, but it will not cost the province anything, that they will receive the hospital and also a very important sum of money from the federal government to take over certain responsibilities. I would like the Minister to answer this, because I think the article is certainly misleading.

MR. SHERMAN: I would agree that the article is certainly misleading, Mr. Speaker, in its reference to negotiations being started or initiated. Negotiations have been going on for three to four years, as my honourable friend obviously knows and agrees - or five to six years, as he says.

The situation with Deer Lodge, of course, is that only about half the beds are in operation at the present time, and there would be some considerable renovation necessary to put it onstream as a personal care bed and extended care bed facility. So that the price we got from the federal government would largely be committed to that renovation, and annual operating costs would of course occur on top of it.

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

MR. DESJARDINS: Mr. Speaker, of course the operating cost is something else. If you're going to use beds, you're going to have operating costs. But do I understand the Minister to say that, if anything, there would be some money left over; it was not going to cost the province anything to get this hospital going with the money - or it shouldn't anyway - with the money received from the federal government upon takeover of that hospital?

MR. SHERMAN: Well, Sir, it depends on how much we get from the federal government. But the last price they offered us, which is a sum with which my honourable friend is familiar, would, according to my advice, be consumed virtually in its entirety by the capital renovation costs of the hospital.

MR. SPEAKER: The Honourable Member for Radisson.

MR. KOVNATS: Mr. Speaker, thank you. I would like to direct a question to the Honourable Minister of Fitness, Recreation and Sports. Would the Honourable Minister advise whether he has any plans to recognize and honour athletes in the province of Manitoba who have gained prominence provincially, nationally and internationally?

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MR. SPEAKER: The Honourable Minister of Fitness and Amateur Sports.

HON. ROBERT (Bob) BANMAN (La Verendrye): Mr. Speaker, in reply to the honourable member's question, the department has been studying ways and means in which we, as a province, can honour some of our athletes who show their capabilities in their different forms of recreation and sport, and as a result I hope to, within about a month's time, make an announcement on a major new program which will recognize all three categories of athletes, namely, Manitoba champions, international champions and also national champions.

MR. KOVNATS: A supplementary question to the Honourable Minister of Sports. Would the time of the honouring of these athletes be backdated to March 23rd?

MR. BANMAN: Mr. Speaker, it would be my hope that the winners of the Seagrams' Mixed - the Canadian champions this year - would be included in that new program.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN (Churchill): Thank you, Mr. Speaker. My question is to the Minister of the Environment. In light of the fact that soiled snow and ambient air testing for vinyl chloride that has been initiated by the Environmental Protection Services has been reported to have shown levels higher than five parts-per-million, a figure that has been used frequently by the Minister as a maximum concentration at the derailment site. Can the Minister now indicate to this House what levels are currently being found at that derailment site outside of MacGregor?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. WARNER J. JORGENSEN (Morris): No, I cannot tell my honourable friend what levels are being found at the particular site as a result of probing in the snow. All I can tell him is that monitors placed somewhat on the periphery of the roped-off area show levels much less than five parts-per-million.

I would also add that samples of the soil and the snow are being taken in for lab testing to determine the presence of vinyl chloride.

MR. COWAN: Yes, thank you, Mr. Speaker. A supplementary to the Minister. In light of the fact that the sampling that has been done may indicate that there may be substantial amounts, or at least some amounts of vinyl chloride left at the site, can the Minister indicate which government agency is responsible for making a decision as to what to do with that contaminated snow and soil - by that, I mean whether to allow the vinyl chloride to evaporate or to have it contained and removed?

MR. JORGENSEN: Mr. Speaker, Environment Canada are the people that currently are conducting the tests, and I would presume that it would be Environment Canada that would ultimately make the decision, in consultation with our department.

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

MR. COWAN: Yes, thank you, Mr. Speaker. Well, to the Minister, in light of the fact that there is still evaporation taking place, can the Minister indicate when such a decision will be made, and if the government is still considering, in consultation with Environmental Protection Agency, is still considering the option of containing and removing this contaminated soil and snow from the area, rather than just allowing the vinyl chloride to evaporate into the atmosphere?

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MR. JORGENSEN: Thank you, Mr. Speaker. My understanding is that there are several options that remain open, and depending upon the results of the test, that decision will be made, I would imagine, within a few days.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: My question is for the Attorney-General, Mr. Speaker. I'd ask whether the Honourable Minister can confirm newspaper reports reciting information that indicates a diversion of lawyers' trust funds . . .

MR. SPEAKER: Order please. Asking confirmation of newspaper reports is not a proper question for the Question Period.

The Honourable Member for Wellington.

MR. CORRIN: We'd ask whether the Honourable Attorney-General has anything to report to the House respecting a change in policy with respect to the use of legal aid - or rather a Law Society lawyer-derived trust funds for the general purposes of legal aid, Mr. Speaker?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Not at this time, Mr. Speaker. I have requested some information on that matter.

MR. CORRIN: Yes, Mr. Speaker. Could the Honourable Minister advise the House whether he could examine the question of whether or not in 1978 some \$830,000 of such moneys went to the general revenues of the province, while legal aid in that year only received an approximate increase of 1.1 percent, or roughly \$300,000.00. Could he check into that, and could he check and confirm whether or not it is true that none of the moneys from the trust fund were diverted into legal aid in that year?

MR. MERCIER: I'll take the question as notice, Mr. Speaker, and enquire into that matter.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker, I have a question for the Attorney-General. Could the Attorney-General inform the House as to whether his position, with respect to RCMP law-breaking in the national interest, is similar or identical to that of a senior official in his department who was recently quoted as stating that he felt that it was commendable that the RCMP do whatever is necessary to protect the public, and if necessary, that includes breaking into houses and other places?

MR. MERCIER: Mr. Speaker, I have requested some information from the department as to the context in which those remarks were made, and I would be pleased to respond to the Member for Rossmere when I receive that information.

MR. SCHROEDER: Mr. Speaker, I have another question for the Attorney-General, referring back to a recent county court decision in which Chief County Court Judge Philp, held that where two breathalyzer readings had the identical reading on one individual, that those readings were not correct. Could the Attorney-General advise the House first of all whether that decision is being appealed and secondly, what the position of the Attorney-General's Department will be with respect to those many cases pending which would be similar in nature at this time?

MR. MERCIER: Mr. Speaker, I will take that question as notice and enquire into it for the member.

MR. SPEAKER: The Honourable Member for Elmwood.

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MATTER OF URGENCY

MR. RUSSELL DOERN: Mr. Speaker, I rise on a matter of urgent public importance, seconded by the MLA for Kildonan, that whereas the Winnipeg School Division No. 1 has requested additional funding from the provincial government for special needs, and whereas the Winnipeg City Council requires notification of provincial funding today, Monday, March 24th, therefore, be it resolved that the ordinary business of the House be set aside to discuss a matter of urgent public importance, namely, the special needs and requirements of Winnipeg School Division No. 1 in supplying services to residents of the core area of Winnipeg which are the responsibility of all the citizens of Manitoba.

MOTION presented.

MR. SPEAKER: The honourable member will have five minutes to explain the urgency of the matter.

MR. DOERN: Mr. Speaker, I think there can be no doubt of that question, namely that today is the deadline. We've already seen that the Minister has apparently closed his mind and closed his books and potential financing to the citizens of Winnipeg some half-hour ago. Therefore I think it's essential that we have an opportunity to debate the matter. The government has already, in the past two-and-a-half years closed off the property tax rebates. There could have been increments over the past two-and-a-half years so that, by today, the minimum amount that a taxpayer would receive, throughout the province, would be some \$300 and the maximum could be of the order of \$500.

The Minister has also indicated in his Estimates that he really is not making any concerted effort to assist the people in Winnipeg Division No. 1, and I think it's only through a special warrant and an appeal to the government that we would be able to obtain these particular funds.

Mr. Speaker, the precedent has been set a number of years ago when our administration gave a million dollars to the Winnipeg School Division for special needs. I'm not talking now about declining enrolment, I'm talking about something else; I'm talking about programs and requirements that are necessary because of the special place of the Winnipeg School Division in the Province of Manitoba. So we gave a million dollars, and this government, after two years of saying no, apparently recognized some small increase and provided half a million. But, Mr. Speaker, that isn't good enough, and the deadline is today.

The Winnipeg School Division is asking for \$8 million, pointing out to the province that there is a requirement for \$8 million, and I say that in the "be it resolved" portion of this resolution, that we're not just talking about another school division. We're talking about a school division which, ten, twelve years ago had some thousand native Canadian pupils and today has 5,000. We're talking about a division which had 100 students who had to have special language assistance, and today there are 2,700 immigrant children in the division. And we're talking about a division where they had 1,300 special education students where they now have 3,200.

So I say, Mr. Speaker, that the needs of Winnipeg School Division No. 1 are a reflection of the needs of the Province of Manitoba. It's not a case of singling out one division for special attention. It's because of the nature of the division in the City of Winnipeg that I believe that the citizens of all of Manitoba have a responsibility to that division. And I appeal to the Minister, and I appeal to the First Minister and the government, to listen to those arguments and to loosen their purse strings, because up until now, they have turned a deaf ear to the special needs and special requirements of School Division No. 1.

MR. SPEAKER: The Honourable Attorney-General will have five minutes.

MR. MERCIER: Mr. Speaker, the Member for Elmwood has made specific reference to the special needs of Winnipeg School Division No. 1, and refers to a small increase in funding from the Department of Education. Mr. Speaker, that increase is in fact an increase in the order of 50 percent for special needs, and I would suggest is not a small increase.

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Mr. Speaker, the resolution refers to setting aside the ordinary business of the House to discuss a matter of urgent public importance, namely, the special needs and requirements of Winnipeg School Division No. 1. Mr. Speaker, with respect to the matter of urgency, again the Estimates of the Department of Education are not yet before the House, will shortly be before the House. The House has before it a resolution dealing with the Greater Winnipeg Equalization Levy, and I point out, Mr. Speaker, that although there is no question that the concerns and needs and requirements of Winnipeg School Division No. 1 are important, there are a number of other school divisions in the Province of Manitoba and the government must take into consideration the needs of all school divisions in the province.

Mr. Speaker, there is ample opportunity for this government to deal with this particular problem, despite the deadline that the member refers to today. There is ample opportunity in the future for the government to deal with the concerns of Winnipeg School Division No. 1, and not only their important problems, Mr. Speaker, but all the problems being faced by other school divisions in this particular province. So I suggest, Mr. Speaker, that although this is an important matter to the Winnipeg School Division No. 1, it is not of urgent importance that this matter be dealt with today. There is ample opportunity for this matter to be dealt with in Estimates and for the government to deal with this matter to relieve this particular situation.

MR. SPEAKER: I want to thank the Honourable Member for Elmwood and the Honourable Attorney-General for their comments. I refer specifically to Citation 287 of Beauchesne's Fifth Edition: "Urgency within this rule does not apply to the matter itself, but means urgency of debate When the ordinary opportunities provided by the Rules of the House do not permit the subject to be brought on early enough, and public interest demands that discussion take place immediately".

I have listened to the argument put forward by the Honourable Member for Elmwood with respect to the urgency of debate, and I point out that the urgency of debate is quite separate and distinct from the actual debate itself. The subject of this urgency has been a matter of debate in this House on many occasions, even sometimes during the Question Period.

I find out that the urgency of debate is also contingent upon the public interest demanding that discussion take place at the same time. Now since Winnipeg School Division No. 1 and the Minister of Education met only last Friday, it would seem to me that further debate at this particular time may possibly jeopardize any further decisions that may be taken in that matter, therefore, I have to rule the matter out of order.

ORDERS OF THE DAY - ORDER FOR RETURN NO. 3

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Speaker, I move, seconded by the Member for Inkster, that an Order of the House do issue for a return of the following information:

1. That the government provide the Legislature with a current listing of all civil service employees categorized or designated as Senior Officers, Deputy Ministers, Acting Deputy Ministers, Associate Deputy Ministers, Acting Associate Deputy Ministers, Assistant Deputy Ministers, Acting Assistant Deputy Ministers, Branch Directors, Acting Branch Directors, showing incumbents' positions, titles, names, classifications, rates of pay, departments, total length of continuous service with the government and length of service each incumbent has in his/her current position. Where an incumbent on the above list has less than three years of service in his/her current position, the Order for Return to show whether the incumbent was promoted from within the Civil Service, transferred from within the Civil Service, or recruited from outside of the Civil Service.
2. This Order for Return also requests that the government provide the Legislature with a current listing by department of all employing authorities under The Civil Service Act, showing the date of appointment as an employing authority and restrictions or limit of authority, if any, placed on such appointments.

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3. The government provides the Legislature a summary by position of civil servants of Senior Officer Classification, including their gross annual earnings:
 - (a) whose employment has been terminated since the government took office in 1977; or
 - (b) who were requested or required to take early retirement.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, the House Leader and myself have spoken to the member that moved this. I have no objection to receiving it, if I can get the clarifications that I've asked for and the House Leader has asked for. But without getting the clarifications of what is meant in it, it's going to be terribly difficult, if not in one case, impossible. I've asked the member if I could sit down and point out the two or three unclear issues and I'd be quite willing to accept it. That's the problem I have; accepting it the way it is in one particular section is impossible, but if we can clarify what the member is asking for in three different regards, I'm quite willing to accept it. So I don't know how you want to handle this.

MR. SPEAKER: Is the Honourable Member for Fort Rouge willing to meet with the Minister of Labour to clarify those two points?

MRS. WESTBURY: Mr. Speaker, I could clarify this right now, if the House wishes me to do so.

MR. SPEAKER: Is that agreeable? (Agreed)
The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Speaker, the Minister suggested that Senior Officers could cover Branch Directors and Acting Branch Directors. Senior Officers are already included, and I'm willing to agree to that.

On (a), under section (3), I think it could be clarified by adding the words, "by the government" after the word "terminated", so it would read, "whose employment has been terminated by the government since the government took office in 1977;" and (b), "who were requested or required to take early retirement", I can change that. I think it would satisfy the Minister to change that to read, "who took early retirement."

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: That's quite acceptable, Mr. Speaker. I can get that information for the member.

MR. SPEAKER: The Honourable Government House Leader.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for Burrows.

MATTER OF GRIEVANCE

MR. HANUSCHAK: Mr. Speaker, I rise on a matter of a grievance. My grievance arises out of statements made by an honourable member of this House, statements which he had allowed and permitted to be published, and statements which amount to utter distortions and lies of what took place in this House. Mr. Speaker, once that

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MR. SPEAKER: Order, order, order.

MR. HANUSCHAK: Mr. Speaker, Mr. Speaker, once that crow over there settles down, I'll be able to continue, and explain, and demonstrate to the Honourable Minister of Government Services - I'll explain to him that the Honourable Member for Roblin did publish distortions, fabrications, which really amount to lies. --(Interjection)--

Now, for the benefit of the Honourable Member for Gladstone, if he wishes to listen, the opening paragraph in a story --(Interjection)-- I'm sure that you don't, I'm sure that this young Minister, the product of the post-war baby boom isn't at all interested in listening.

MR. SPEAKER: Order please, order please.

MR. HANUSCHAK: The first paragraph . . .

MR. SPEAKER: Order please. The honourable member has been using language which is considered to be unparliamentary, when he used the term "lie". I would suggest that he retract that statement and use some other word.

MR. HANUSCHAK: No, Mr. Speaker. I'm making reference to what occurred outside the House, not in the House. Mr. Speaker, the first paragraph of an article appearing in the March 12th issue . . .

MR. SPEAKER: Order please. It has been pointed out to me that in Beauchesne's Fifth Edition, Citation 320, the word "lie" is distinctly unparliamentary, and I would ask the honourable member to retract it.

MR. HANUSCHAK: Very well, Mr. Speaker, I will, but the point still remains that the Honourable Member for Roblin published untruths knowingly, and attributed them to this side of the House. The first paragraph reads as follows: "The NDP, under their leader Howard Pawley, and supported by lone Liberal June Westbury... "

MR. SPEAKER: Order, order please.

The Honourable Attorney-General on a point of order.

MR. MERCIER: On a point of order, Mr. Speaker, although the member withdrew the word "lies", he used the word "untruth", and again in Beauchesne on page 113, the Fifth Edition, same word is found to be unparliamentary.

MR. SPEAKER: Does the honourable member perhaps want a copy of Beauchesne so he can check his language before he uses it?

The Honourable Member for Burrows.

MR. HANUSCHAK: Mr. Speaker, I will not describe this paragraph in any way. I will read it into the record, and I will let the House decide whether the statement is a lie or not. The first paragraph reads as follows: "The NDP, under their leader Howard Pawley, and supported by lone Liberal, June Westbury, stood up this week and voted against the dozens of new social programs proposed by the Lyon government in the Speech from the Throne".

Now, Mr. Speaker, I ask you, is that or is that. . .and I'm not saying it's a lie. I'm asking you. Is that or is that not a lie. Because, Mr. Speaker, I checked the Votes and Proceedings, Mr. Speaker, and I want to refresh the memory of the Honourable Member for Government Services - the yappy one, as he is described. I note, Mr. Speaker, that - and I read the amendment proposed by my leader, and there is nothing contained within that amendment which would result in voting against the programs referred to in the Speech from the Throne. I even read the further amendment by the Honourable Member for Inkster to see if there is anything within it that could be interpreted in the fashion in which the Honourable Member for Roblin interpreted our actions, and there again, there is nothing.

And then I checked the Votes and Proceedings for the 4th of March, and that yappy Minister who insists that we voted against the Throne Speech, when you, Mr.

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Speaker, put the motion to the House, the House resumed the adjourned debate on a proposed motion of Mr. Filmon, for an address to His Honour, the Lieutenant Governor, in answer to his speech at the opening of the Session, and the debate continuing on the main motion. And Messrs. McBryde, Galbraith, Cowan, McKenzie, Desjardins, and Blake having spoken, and the question being put, it was agreed to; it was agreed to, Mr. Speaker. It was agreed to, but the Member for Roblin, in the Grandview newspaper - and I checked further, and the Roblin newspaper - states that "The NDP, under their leader, and supported by June Westbury, stood up this week and voted against the dozens of new social programs proposed by the Lyon government in the Speech from the Throne."

When the hell did he see us stand up in our seats and vote against those programs? And then he picks these figures out of somewhere, they don't appear in the Estimates, they didn't appear in the Throne Speech. This is what he goes on to say that we voted against: Funding for personal care homes, \$78.4 million; child and family services, \$30 million - I'm not going to read the whole list - and included in that, the Member for Roblin, and I would like the Honourable Minister for Highways to tell the Member for Roblin how we voted on Labour, how we voted on the Attorney-General's Estimates, and the Civil Service Estimates, and on most of his, and find the vote recorded somewhere where we denied the Treasury Board the expenditure of even one cent for public programs. Find one vote; find one vote.

Now of course, Mr. Speaker, this type of conduct, this type of behaviour on the part of government members, it doesn't surprise me at all, because over the past 20-some odd months, we've seen a demonstration of their arrogance, we've seen a demonstration of their disregard for the Legislative process, we've seen. . . --(Interjection)-- oh yes, about that Minister responsible for the Bird Care Program, we'll get to that yet, we'll get to that. There will be a more appropriate occasion. But, I would like the Minister to give us an up-to-date report on his program for constipated budgies, and we'll hear what he has to say about that; we'll get to that. I'm glad that he reminded me of it, because that flighty program had escaped me over the past few months, but he's reminded me of that.

And we've seen evidence on the part of this government that attempting to politicize the Civil Service, by writing into Legislation, that the education administrative consultants are to be appointed by the Lieutenant Governor-in-Council as opposed to being appointed through the normal Civil Service process as staff people performing that function, or a similar function, had been appointed in previous years. But, no, they're going to have the Minister - I don't know who the Minister will be who will be bringing in the recommendations for appointment, whether it will be the Minister of Education - I rather suspect that it might be the Minister responsible for the pork-barrel, whoever he is now. And the Minister of Agriculture is not responsible for the --(Interjection)-- he is in charge of the pork-barrel. Well, I'm glad, so there was a further Cabinet shift there, because once upon a time it was the Honourable Member for Morris who was given that responsibility.

So, Mr. Speaker, we've seen that, we've seen evidence of that. So really, it doesn't surprise us all that much to find these gross deliberate distortions of the truth appear in the press. And I suppose the reason for that, Mr. Speaker, is that the Honourable Member for Roblin cannot go back to his constituency and defend the government programs on their merits, so he has to resort to tactics of this kind. Obviously, there is not one program that the Minister can defend to his constituents. Either the government isn't doing enough, or is abandoning certain programs, or is opposing user fees, or whatever, so what does he say? He goes back home and he says, "Don't blame me, it's the New Democrats, they voted against all the new social service programs, they voted against them".

You know, the Honourable Minister for Government Services, you know, maybe. . . you remember that expression, you remember one of the civil servants from Information Services, has said that the. . . well, he said it was a lack of co-operation of Dow Chemical with the government, and I suppose the government's inability to get Dow Chemical to co-operate with them made the government look like goddam idiots. The Minister remembers that statement. He remembers it very well.

Well, you know, it seems, Mr. Speaker, that that statement still holds, because a few minutes ago I read into the record, I quoted from the Votes and Proceedings, and I tried to explain to the Honourable Minister how we voted, that the line

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reads that it was agreed to. It didn't say we voted against it. But you know, the Minister doesn't understand, he just doesn't understand. So, you know, the more I watch this government in action, including the Minister of Economic Development, the more convinced I become that that Information Services officer was right in his assessment of the government. Because obviously, that's what they are. And then, when you see an article such as the one that I've referred to, just re-affirms my conviction that that is the most appropriate descriptive term for the government.

Now, Mr. Chairman, I do not believe that any member of this House should have the right to go around the province, go around the countryside, and cause gross distortions of the truth of this kind to be published in the press, or to be expressed in any shape or form. And I think that if the Honourable Member for Roblin were an honourable gentleman, if in the event that he is in the same category of government members as described by the Information Services Officer, and if now he's become aware of the fact that this is an untruth, that this is a distortion of the truth, and if he is an honourable gentleman, I think that the honourable member should stand up in his seat and apologize, and retract. And not only retract the statement in the House, but the fact of the matter is that every subscriber to this newspaper has read that statement in his home constituency, plus wherever else the newspaper is circulated.

So I would also suggest to the honourable member, if he is an honourable gentleman, that he should also publish an apology and a retraction of that statement in the newspapers within which this erroneous, misleading article of his appeared. And I think that the Honourable Member for Roblin is man enough - at least I would like to think that he is man enough - to stand up at this time and retract this statement and immediately cause an apology to be published in the newspapers within which this article appeared.

MR. SPEAKER: Order please. I should like to draw all members' attention to Citation 332.(1) of Beauchesne. It would have been my intention, had this arisen in ordinary debate, to rule the member out of order. However, he was rising on a very special section that does apply to our proceedings here, which is a Matter of Grievance, therefore I gave the member undue leeway. But under normal debate, his entire argument would have been ruled out of order.

Are you now ready for the question? Is it the pleasure of the House to adopt the motion to go into Supply?

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for the Department of Natural Resources and the Honourable Member for Virden in the Chair for the Department of Highways and Transportation.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Morris MacGregor (Virden): I call the Committee to order. We are on Resolution 88: 9.(a)(1), and I will call on the Minister first, I think, to answer some questions possibly that were left unanswered as of last week. The Honourable Minister.

HON. DON ORCHARD (Pembina): Thank you, Mr. Chairman. The Member for St. Johns was asking as to what elements in the vehicle registration and insurance system, which elements were included as subject to cost-sharing, and in terms of the elements considered in the motor vehicle registration system as operated by MPIC, there are four basic categories that were considered. The first one is salaries, including wages and including fringe benefits, and that includes all staff that is entirely or partly involved in the system, because not all SMYs are 100 percent attributable to shared costs.

The second category is supplies involving the various forms in use, plates, stickers and postage. The third area is computer time, the operational costs in system changes, and system changes required by the Motor Vehicle Branch and fully

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paid by the Motor Vehicle Branch. Any system changes that are required by MPIC are fully paid by MPIC, but changes, if any, which are beneficial to both MVB and MPIC would be shared. The fourth category is rental for any additional space rented by MPIC to administer the registration system.

Now, in terms of costs incurred by Motor Vehicle Branch for the drivers licensing and insurance system, which are shared with MPIC, include the same four categories: Salaries, all staff entirely or partly involved in the system; supplies - the various forms, stickers, etc., required for the issuance of drivers licenses; computer time, and once again the same formula involved - any changes to the system required strictly by MVB are paid strictly by MVB and not part of the cost-sharing formula, likewise any changes requested in the computer setup requested by MPIC are borne entirely by MPIC, any changes in the system beneficial to both are shared; and then rentals are also included in that.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I thank the Minister for that information. Does he indicate that these categories were already agreed to and if so, is there still disagreement as to what they amount to, or whether or not they are being correctly applied. That is, when he says Salaries, is there a dispute as to whose salaries, or how much time, and the same with any of the other items.

MR. CHAIRMAN: Mr. Chairman, in terms of the cost-sharing formula, I am advised that both MPIC and MVB have determined which salaries are mutually shared and applicable to the cost-sharing formula, and there are no outstanding issues as far as wages and computer time go in establishing the cost-sharing formula.

MR. CHAIRMAN: 9.(a)(1) - the Member for St. Johns.

MR. CHERNIACK: I wonder, then, why the delay in arriving at an amount.

MR. ORCHARD: Well now, first of all, if I could have the Member for St. Johns clarify the delay in determining the amount, which amount is the Member referring to?

MR. CHERNIACK: The amount that is owing from one to the other.

MR. ORCHARD: Well, the formula was formally approved only within the last month by Treasury Board, and I would assume that any Estimates that have appeared in the books to date have been speculative on the basis that that formula would be approved.

MR. CHERNIACK: The Minister explains why the amount may not be accurately reflected in the Estimates, but I am talking about the amount that is owing either way, which means, as of the current year, why the delay in calculating that amount?

MR. ORCHARD: Well, Mr. Chairman, in terms of the current year, in other words, if we are talking the year ended March 31, 1980, once again because a final formula was not decided on until just very recently, or it was being worked upon but the formal approval was given, any Estimates in payments to MPIC and by MPIC were suspended pending completion and formal adoption of the new cost-sharing formula.

MR. CHERNIACK: Mr. Chairman, the Minister said that it was approved, I think he said a month ago, by Treasury Board, and his answers do not yet clearly establish as to whether or not the amounts have been calculated as of today - I am not talking about the past, I'm talking about, are the amounts established as of today? And then I said, "Why the delay?" So I am not sure that I got the answer to the first question.

MR. ORCHARD: Well, Mr. Chairman, the amounts are established for the 1980-81 fiscal year as to the cost-sharing arrangement that we are going to undertake with MPIC, and they are established in this Estimate Book.

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MR. CHERNIACK: Mr. Chairman, I do not want to divert my own mind on this. All right, we will deal with the coming year. I want to know whether the amount payable as between the two parties up to the end of this month has been calculated, and if not, what is the delay, since the formula was approved a month ago?

MR. ORCHARD: Well, we have a very close approximation by Motor Vehicle Branch as to what our share of the billing should be but we haven't sat down with MPIC to arrive at the, let's call it the reconciliation figure up until March 31. We have done that for the 1980-81 estimate year.

MR. CHERNIACK: Has the Minister changed the estimate of the amount payable by MPIC to the government up to the end of this month of between \$1 million and \$1.5 million; has that estimate changed?

MR. ORCHARD: No, Mr. Chairman.

MR. CHERNIACK: Mr. Chairman, I think we are agreed that the Minister had said and he says there is no change in the estimate of between \$1 million and \$1.5 million for the last 17 months. We have also established, I believe, from the MPIC Report that for the year ending October 31st, 1979, was \$2.6 million; that has been established. There are no changes in these figures by either side as far as this Minister is concerned?

MR. ORCHARD: Well, Mr. Chairman, I can speak for the Motor Vehicle Branch part, where we haven't got any changes. I cannot speak for the \$2.6 million that is reported in the 1979 Annual Report by MPIC. I don't think it is my position or my prerogative to justify their particular calculations and their figures.

MR. CHERNIACK: I agree with the Minister that it is not for him to speak for them. We will have them speak for themselves.

Now, going back to what the Minister has said. Does he say that there has been an agreement reached between the two parties as to the Estimates for the year 1980-81?

MR. ORCHARD: That is correct.

MR. CHERNIACK: And how much is that amount as it relates to the MVB?

MR. ORCHARD: Now, do you mean what is the MVB's payment to MPIC?

MR. CHERNIACK: Yes, Mr. Chairman.

MR. ORCHARD: Mr. Chairman, that will be a net payment of \$385,000.00.

MR. CHERNIACK: Mr. Chairman, does that mean when the Minister says net, net after contra-accounting; is that what he means?

MR. ORCHARD: The net figure that I referred to is the amount that the Motor Vehicle Branch will pay to MPIC for the service of motor vehicle registration, less the amount that MPIC will pay to the Motor Vehicle Branch for driver licencing, and collection of insurance premiums on the driver's licence.

MR. CHERNIACK: One more question, Mr. Chairman. Will the Minister explain why the - not one more question, one more avenue - will he explain why Commissions are not considered an expense for the collection of premiums?

MR. ORCHARD: Now, Mr. Chairman, if I can follow the Member for St. Johns' question, the payment of commissions is not a portion which is calculated into the cost-sharing formula, because in the registration of vehicles, for instance, the Motor Vehicle Branch has and still does pay a flat fee per transaction. In the collection of insurance premiums, MPIC has given its agents a commission list, which varies from 5 percent on the basic premium to 10 percent on extended coverage. Both of those costs are not included in the cost-sharing formula

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because they have in the Estimate of the two departments no correlation to the administration services performed in registering vehicles or issuing insurance thereon. Therefore, they were paid, as in the past, before Autopac's inception the Motor Vehicle Branch always paid licencing agents and registration agents a flat fee and that process or that policy had continued on after the inception of Autopac.

MR. CHERNIACK: Mr. Chairman, the Motor Vehicle Branch collects money along with the driver's licence for and on behalf of the MPIC, on driver's licences. At the same time the MPIC collects vehicle registration fees for the Motor Vehicle Branch. The costs that should be, in my mind, attributable to both collections should include the cost paid to agents of the government and of MPIC respectively for that collection. I do not understand why that should be left out. And a corollary question to that is whether one cannot expect that the flat fee payable by the government would have gone up had not the other moneys been payable to agents for similar types of collections.

In other words, how come the government, this government, increased its user fees to all sorts of people across all of the Manitoba and has not found it necessary to increase the flat fee payable to agents who collect the driver's licence registrations?

MR. ORCHARD: Mr. Chairman, in terms of the flat fee that was instituted for payment to people performing a registration function on behalf of the Motor Vehicle Branch, in 1971 that fee was 60 cents per registration performed, and it has been \$1.20 for the ensuing years, the nine years since. That, Mr. Chairman, has not been a subject of complaint by the registering agent.

MR. CHERNIACK: Mr. Chairman, that's the exact point I'm making. I'm assuming that they did not complain because they were getting a substantially increased income, as is well known, that all agents are so supportive of MPIC because they earn a lot of money as agents for MPIC, and I'm suggesting to the Minister that the flat fee he refers to is peanuts compared to the total earning by the agents for the various activities they do for both MPIC and government. And because it's so small amount of the total earnings, it is not a matter that has created a problem. But it seems to me that leading out the commissions from that formula is unfair in that there is a cost in collection of the moneys which is not reflected in the formula. And I marvel that this has been accepted by both sides.

And therefore I ask the Minister directly, since I think MPIC is the one that is adversely affected on that point, do they agree with the rationale of excluding commissions the way the Minister has described it? Or was that imposed on them?

MR. ORCHARD: Mr. Chairman, the Member for St. Johns is indicating that the fees, namely the \$1.20 flat fee which Motor Vehicle Branch pays to agents for registering vehicles is, I think his word was, "peanuts" compared to the commissions derived by the agent for selling the insurance on that very same vehicle, and Mr. Chairman, the fee paid by MVB should be called as peanuts, because in terms of the percentage, for instance a \$270 fee and premium collection by an Autopac agent involves collecting \$36 on behalf of the Motor Vehicle Branch and some \$224, or \$234, pardon me, on behalf of Autopac.

Now, naturally, in the collection of a larger sum of money, the benefactor of that larger sum of money should pay the cost of collecting and the commissions involved thereon. And that has been the system that has been in place for a number of years since Autopac's inception. Any increase in the insurance premium collected by MPIC in no way benefits Motor Vehicle Branch directly. It is all a direct benefit to the insurance corporation because higher insurance premiums represent higher income to MPIC for which they, as any other business, should have to pay a higher selling commission to their agents.

MR. CHERNIACK: Mr. Chairman, now that we've had a presentation of a point of view, would the Minister answer my question as to the MPIC view on commissions not being a factor in the four items he expressed?

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MR. ORCHARD: Mr. Chairman, once again I want to point out that in terms of the driver licensing operation that the Motor Vehicle Branch has, we pay 20 cents to an agent and I believe MPIC also pays 20 cents to the agent for the service of collecting the insurance portion of the premium. And on a standard driver's licence for an adult male, it's an \$18.00 fee; \$3.00 of which accrues to the Motor Vehicle Branch, for which the agent has paid some 20 cents; \$15.00 accrues to MPIC, for which MPIC pays 20 cents. I don't know whether, in the context of the presentation by the Member for St. Johns, if he would consider that to be fair. Possibly in relationship to the \$3.20 payout that MVB makes, possibly MPIC should consider giving drivers' licence agencies a greater commission for the \$15.00 minimum insurance collection they make.

Now, to answer the member's question, the MPIC has raised the issue of whether or not the sharing of commissions in flat fees is being currently equitably shared by the Motor Vehicle Branch and MPIC, and that is an issue no doubt that will have to be addressed over the next several months. But it had no correlation to the breakdown in sharing of 45-55 which was established for administrative services.

MR. CHERNIACK: Mr. Chairman, I infer from what was said by the Minister that the MPIC is not satisfied with the arrangement whereby commissions are not shown as a cost. I gather that there is no argument about the percentage distribution but I gather, and I stand to be corrected but I think the record would show that what the Minister said clearly indicates that the MPIC is not satisfied with the formula which exempts commissions, and he says that that's a matter for discussion over the next couple of months.

Does he then say that there has been an agreement arrived at if one of the parties is apparently not satisfied with the fact that commissions are left out of the formula which he gave us this afternoon.

MR. ORCHARD: Mr. Chairman, the parameters under which the cost-sharing formula for administrative services was set up did not include the flat fees and commissions being paid. What the MPIC Motor Vehicle Branch negotiations, on a new rate schedule, in conjunction with the Department of Finance, was to do was to set up a new, a more equitable sharing of the cost of administrative services of both MPIC and MVB, other than the 80-20 which was determined since the inception of Autopac to be inequitable in that MPIC was not paying a sufficient share of the costs of both vehicle and driver licencing. And in the establishment of that review, it was agreed that with the parameters being considered, that a new cost-sharing formula of 55-45 would indeed more equitably treat both MPIC and Motor Vehicle Branch.

MR. CHERNIACK: Mr. Chairman, the Minister earlier, some time ago, last week, told us that all they were told to do, the only instructions given on negotiations were that there should be a review made to arrive at a more equitable sharing of costs. Now he's telling us that there were parameters. And that means to me that there were certain indications that they may not discuss certain matters that went beyond those parameters.

Now I assume from what he said, and he will correct me if I'm wrong, that they were not to discuss commissions as an allowable or acceptable expense for the sharing of the costs, which means to me and that's my assumption from what he has said, that they did not because they were not allowed to negotiate on the basis of whether or not commissions were an expense.

MR. ORCHARD: Thank you, Mr. Chairman. Since the inception of MPIC, flat fees and commissions have never been shared and are not shared between MPIC and Motor Vehicle Branch. The exercise of determining the equitability of the 80-20 cost-sharing between MPIC and Motor Vehicle Branch was ordered to be reviewed and coincidentally, Mr. Chairman, that was not only a concern of this administration, it was a concern of the previous administration. And under the terms given to the review committee, was a review of whether or not the factors involved in cost-sharing between MPIC and Motor Vehicle Branch, equitably distributed the costs between those two users. It was determined after review of the existing included items in cost sharing, that yes, indeed, the 80-20 formula was inequitable in that the Motor Vehicle Branch had to bear an excessively high amount of

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that cost and it was mutually agreed on the basis of items cost-shared since the inception of Autopac that those items should be cost-shared on the basis of not 80-20 but rather 55-45. Since the inception of Autopac flat fees and commissions never were a shared item that was not a consideration of the review since they were never a shared item from the inception of Autopac.

MR. CHERNIACK: Mr. Chairman, it is clear to me that what I said was correct, that regardless of the reason, and the Minister gave all the reasons, all dating back to previous times, that the question of commissions as a proper logical expense was not explored, was kept out of the discussion, and he said that. I have to say that I don't understand it. The fact that it may not have been done in previous years doesn't make it any more clear to me as to why it should have been left out. So, Mr. Chairman, I just note that it took while but we now have the Minister making it clear that they were not included in the negotiations, that they were not discussed at all, but they must have been, Mr. Chairman. The reason I say they must have been is that he said they're not satisfied and that it will be dealt with in the next couple of months. So obviously they were discussed. Obviously they were not accepted as a matter for negotiation, so I assume from that whatever formula was arrived at was kept out in spite of the fact that MPIC was not satisfied to keep it out and then I guess we'll have to wait until MPIC comes back into this room and we'll find out from them just why it is that they did not succeed in even having it debated as a matter within the parameters that the Minister spoke about.

MR. CHAIRMAN: 9.(a)(1)--pass; 9.(a)(2)--pass; 9.(b)(1)--pass. The Member for St. George.

MR. BILLIE URUSKI (St. George): Mr. Chairman, in the driver's licencing area in terms of driver safety have there been any changes in terms of the programs and the direction taken by the Safety Division of the Driver's Licencing, Motor Vehicle Branch?

MR. CHAIRMAN: If it's safety, to the member I might say it really comes on 9.(c). We're on 9.(b)(1) if it's any clarification.

MR. URUSKI: Well, Mr. Chairman, is the licencing of drivers under the section (b)? I'm assuming that the licencing of drivers falls under 9.(b).

MR. ORCHARD: Well the issuance of driver's licences, yes, is under 9.(b).

MR. URUSKI: Would the suspension of drivers and their records be handled under 9.(b)? Maybe the Minister should give us an overview of 9.(b), that would make it easier rather than me probing the Minister.

MR. ORCHARD: This appropriation provides for salaries and office expense for the staff that are involved in issuing the PSV, CT, Taxi, U-Drive registrations, and also driver's licences and funds are included in this appropriation to purchase licence plates, registration forms, driver's licence forms and the computer charges for the operation of the driver's licence system and the related office equipment and office expense of administering those aforementioned functions.

MR. CHAIRMAN: 9.(b)(1). The Member for Lac du Bonnet.

MR. SAMUEL USKIW (Lac du Bonnet): Mr. Chairman, I'd like to know whether the Minister has information indicating what percentage of new drivers that are licenced are drivers who have taken training courses?

MR. ORCHARD: I am informed that the figures that are close to 6,000 out of almost 30,000 new licences issued.

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MR. USKIW: Yes, I wonder if the Minister would indicate just what his thoughts are with respect to making it mandatory that licences be issued only after a training course has been taken by the applicant.

MR. ORCHARD: Personally, Mr. Chairman, that's a thought that has crossed my mind because if we could assure that every new licenced driver received a comprehensive training course, I think our downstream costs might be considerably less. Now in some preliminary investigation of that we have got a couple of problems. One's logistics, the other one's straight dollars, that the implementation of a compulsory, shall we call it for lack of another term, compulsory driver training program would be quite expensive, and secondary would be where do you fit it in. A logical thought that I had was to fit it into the school system but we constantly get complaints that the school system is crowded with various courses and can't really stand another one. I have given some thought and we have made some preliminary inquiries.

MR. USKIW: Well, Mr. Chairman, the Minister is concerned about costs to the public. I would suggest to the Minister that there's reasonable argument to be made for those costs being totally recoverable from the trainees. I don't see why the public should subsidize the acquiring of a licence to drive, on the part of any applicant, as far as I'm concerned that should be fully recoverable and that if we don't have adequate facilities in the school system or whatever system we have or combination of systems for training that I'm sure there are entrepreneurs that wouldn't mind taking on some of the areas that are not now serviced by the public, and that as long as they meet the curricular requirements of the department I see nothing wrong with doing it that way, and that they be self-sustaining. But it seems to me, Mr. Chairman, that costs shouldn't be the reason why we are not proceeding in that direction.

The other question I have is, has the department been able to measure, have studies been undertaken to determine, in other words, what the cost benefit is of the training program? That is, in terms of percentages, how many accidents percentage-wise result from drivers who have been trained, as compared with the group that has not been trained? I am sure the statistics are there; it is a matter of compiling them if they haven't been done and that, in essence, should give us some idea as to the worthwhileness of the training program. If the statistics are revealed in the sense that they support training, then I don't know why the government wouldn't want to do it.

MR. ORCHARD: Apparently, in reviewing the driving habits of students who have taken driver training, it is found, now I don't know what length of time this goes after the age 16 --(Interjection)-- Oh, two years, for a two-year period after taking driver training there is apparently 31 percent fewer convictions and 19 percent fewer accidents.

MR. USKIW: Well, Mr. Chairman, I am pleased that the Minister has that information because if those statistics are accurate, well heavens, out of those statistics there must be some lives saved, too, I would hazard a guess. And surely if we can put together a package that doesn't cost the people of Manitoba any money, other than the applicant who goes through the training program, then I think we should go full speed ahead with this kind of program to make it universal, Mr. Chairman.

MR. ORCHARD: Well, that's fine, good advice.

MR. CHAIRMAN: 9.(b)(1) - the Member for St. George.

MR. URUSKI: Thank you, Mr. Chairman. Just to follow up along that line, I would ask the Minister where have the negotiations ended between the Department of Education, MPIC and the Motor Vehicle Branch Driver's Licencing Division with respect to the implementation of a universal driver education program throughout the schools in Manitoba?

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MR. ORCHARD: It is my understanding that those discussions never did reach a firm conclusion, Mr. Chairman.

MR. URUSKI: Well, Mr. Chairman, there is no doubt that the Minister is correct, that the time that they were undertaken, which is approximately, if I recall correctly, five years ago when those discussions began and there were certainly some feelings between various personnel in the Department of Education, for example, and the professionalism of the instructors was one of the hangups that the staff had. One of the other larger hangups, I think, was the dollars, who was going to come up with the dollars; secondly, whether or not the vehicles could be made available. Those were all things that were sort of thrown on the table and given to the staff to see whether some resolution or at least some conditions could be placed to say, all right, we can go ahead with this provided these kinds of cost are covered.

I recall at the time that I was Minister responsible for MPIC and MVB, there was a commitment at least on my part that the Corporation would be prepared to at least start with even a modest figure of approximately \$1 million into a safety program. But if there was a feeling amongst the staff that, well, you know, it takes a lot of work to pull this together and maybe there were some actors in the negotiations who may not have been that willing participants to make this thing go ahead.

I am wondering whether the government, what feelings the Minister has towards such a program. You know, if the staff are not given direction by the government as to what their priorities might be, then of course they will not want to push ahead and resolve what seems at various times the unresolvable but which should be able to be, if we are determined to push ahead with a good program, should be able to be resolved.

I would like to know what the Minister feels; whether or not it is a worthwhile program and whether or not the government has any priorities. I mean it has been on the shelf and it really should be a matter of only getting the three departments together and saying, "Look here, what are the costs?" And I think the costs at that time were somewhere, \$3 million I think is a ballpark figure of an annual figure that would rise to about \$3 million, and, you know, where has it gotten? How does the Minister feel about this? How does his predecessor, how does his partner who had the responsibility for both the MVB and MPIC as one Ministry? You know, is there any desire on the part of the government to improve the ability of young drivers? Most young people in their life will have to drive, and one item in an individual's life we teach very little of is how to drive and act on the highways and yet in the lifetime of an individual that is probably one of the things that one will do the most of and be the least prepared for. And yet, we seem to say, yeah, it's a good idea, sounds fine but. I would like to know where the Minister's "but" is in this case?

MR. ORCHARD: The Minister's butt is in the same place the Member's butt is, it is on the bottom of a chair.

Mr. Chairman, as I mentioned to the Member for Lac du Bonnet, I have undertaken some initial enquiries; we are getting some information on other jurisdictions as to how they handle a driver training program and, as I mentioned to the Member for Lac du Bonnet, it is an area of personal interest to me.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: I could carry on, I have a number of questions, but if it is 4:30, let's rise.

MR. CHAIRMAN: The hour of 4:30 having arrived, I am leaving the Chair for Private Members' Hour and will be returning at 8:00 p.m.

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SUPPLY - MINES, NATURAL RESOURCES AND ENVIRONMENT

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members to Page 75 of the Main Estimates, Department of Natural Resources, Resolution No. 101, Item 2, Administrative Services. We are on (b) Personnel Services (1) Salaries--pass - the Honourable Member for The Pas.

MR. McBRYDE: Has the Minister giving us a breakdown of this section and how many people are there and what they do, Mr. Chairman?

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: I advised the committee on Friday, I believe, Mr. Chairman, that there were 22 staff man years in the personnel services section.

MR. CHAIRMAN: (1)--pass; (2)--pass - the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Chairman. When we concluded our discussions on Friday, I was questioning the Minister on an item which I don't believe we had opportunity to really get full information on, and that was the problem which has been brought to my attention regarding the selection of four regional supervisors in the Minister's Department and, as I mentioned on Friday, the information that's come to my attention is that the selection board for this process of interviewing the potential applicants for this position was set up in such a way that the Interview Board was made up only of the new regional services director and two other people from the Department of Resources, without having any civil service member present to keep the things in proper perspective and to actually comply with the Civil Service Act, which, as we were discussing during the Labour Minister's Estimates, requires in fact, that the Civil Service Commission review the capabilities and thereby review the documentation of individuals applying for a position to ensure that the merit system is being applied in the hiring practices of the government.

In this case, Mr. Chairman, there was an omission of a civil service member present from the Interview Board and I understand the board must not have been satisfactory in the eyes of many of those who were applying for the position, because obviously this is a serious matter of concern within the department, within the ranks of the department. As I understand it, there are five appeals to the Civil Service Commission on this issue alone.

So, Mr. Chairman, I think we have a rather serious case here of a breach of the Civil Service Act and I believe that it may have very serious implications for morale within the Department of Resources. Certainly when you have five members of the department - I believe they are all members of the department - who are appealing the decision of a board, then obviously they feel that the board was handled in a rather dictatorial manner. They're certainly not satisfied with the performance of the board and do not feel that the board was handled in a fair and equitable manner.

The very fact that there was no civil service representative at the interviews that took place, I think, is a serious breach of a common practice and one which, I believe, is more than just a common practice; it is in fact a requirement.

This is relating back to the discussion we had within the Department of Labour the other night, Mr. Chairman, whereby we seriously questioned the Minister of Labour on his proposal to establish a new system of hiring within the Civil Service of Manitoba, whereby he would delegate the authority of the Civil Service Commission to a particular department or departments on an individual contract basis, which would allow the departments to do all of the functions of the Civil Service Commission; that is the selection, the recruitment and selection and appointment of individuals to positions within the Civil Service. Previously, Mr. Chairman, the Civil Service Commission did those functions and have historically maintained the right to do those functions; that is, the recruitment and the selection and the appointment, based on a pre-condition of merit within the selection process.

The Civil Service Commission has been the guardian of that principle or concept within the hiring of people for the Civil Service of Manitoba. The protection

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that the people within the general populace of Manitoba and/or those who are working within the Civil Service now, that if they apply for a position within the government service, they have the reasonable expectation that their application will be judged on merit rather than other considerations.

I think, Mr. Chairman, it's pretty clear from this example alone that the practice that the provincial government appears to be following is not a correct one.

First of all, the practice the Minister of Labour is intending to follow is one which I believe will put into general practice something which this department has done by way of this specific example. And I might point out, Mr. Chairman, in the case of this department, they did this particular act, this particular interview set-up without the benefit of this contract arrangement with the Civil Service Commission, which other departments, I understand, have already signed such arrangements or signed such agreements with the Civil Service Commission. In this case, the Department of Natural Resources had no authority to proceed to have an interview, to hire four regional supervisors without having a Civil Service Commission person present. And I believe the Minister's comments on Friday before we closed for the day, were, as I understand it, that the department, he feels, was not at fault here because they did not have a civil service representative present; he claims that it is the Civil Service Commission's fault.

Mr. Chairman, in the interests of fair play here, I think that the department should have ensured that they established the interview on the basis that a Civil Service Commission person was present. If the Civil Service Commission person could not be present, then they should have postponed the interview arrangements until such time as a proper interview set-up could be established. To have gone ahead with the interviews in any case without a civil service member present was to, I believe, cause this serious problem within his department whereby I think the whole selection process, the whole recruitment, selection and appointment process of people in his department, in this case, is highly suspect. Because Mr. Chairman, the regional services director, who was the main actor here, as I understand it, on this Interview Board, was a Cabinet appointment by the Minister, by his own admission on Friday. The new Regional Director was appointed by Order-in-Council. This person, then, is the head of an interview committee which is selecting four regional supervisors.

At that same interview was another junior member of the department, as I understand, of the personnel branch, and one of the regional managers was present. But Mr. Chairman, the main actor here was the Regional Services Director, who is a Cabinet appointment, directly responsible in many ways to the Minister of Natural Resources. So to call this process fair, whereby you have your own personal regional services director as head of an interview committee that is selecting four regional supervisors, I think is a matter which gives serious rise for concern about the fairness of the selection process within the Department of Natural Resources.

If this is the way this Minister is going to operate, Mr. Chairman, then I believe he is going to have very serious morale problems within his department. I would like him to explain further, because we did not have sufficient time, I believe, on Friday for this matter to be aired completely. I'd like him to explain this case to us and what he proposes to be the manner in which his department will operate in the future in the recruitment, selection and appointment of people for employment within his department.

MR. CHAIRMAN: The Honourable Minister.

MR. RANSOM: Mr. Chairman, the honourable member has, first of all, alleged that there has been a breach of the Civil Service Act. I do not believe that is the case, and I'm sure that the appeals will reveal whether or not that is the case.

The honourable member also ascribed comments to me as having placed fault upon the Civil Service Commission for not having a member in attendance, and there was never any intention of ascribing fault to anyone because the procedure that was followed in this recruitment is the same procedure which has been followed within the department for years, both during our government and prior to our government.

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The honourable member also makes a point of the Order-in-Council appointment of a regional director. I'm sure, Mr. Chairman, that the House is aware that all senior officer appointments are by Order-in-Council. All directors of the resource branches are senior officers and are therefore Order-in-Council appointments, and that is the way it has been for some time, and there is nothing unusual or out of the way in such an appointment. I'm sure that the appeals, in this case, and I'm not personally aware even of any of the individuals involved, but I'm sure that the appeals will clear up the allegations that have been made.

MR. CHAIRMAN: (1)--pass - the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, he didn't answer the concerns which I raised regarding this matter or the policy of his department regarding future recruitment, selection and appointment of individuals in the employment of his department. As I indicated, I believe that if he follows the practice of this particular case, then he is going to have a serious morale problem within his department, particularly when one considers the long service of many members of the department who have served, I would think loyally, under various administrations of the province of Manitoba. Some I think probably date back to pre-Roblin days, in terms of their service in the department, to people who have been working in the Department of Resources for a period of time dating back over three different administrations, who have had a respect for the way in which the recruitment, selection and appointment of individuals within the government service is carried out by means of having the Civil Service Commission there as a watch-dog to make sure that the merit principle is being followed in the selection process.

I think, Mr. Chairman, it's a serious matter for concern if individuals who are possibly in that category I just described are ones who are appealing the process, because Mr. Chairman, for the Minister to say that it's not unusual for a civil service person to be not present at an interview situation is certainly not correct. It is certainly a common practice for a civil service person to be present at interviews, particularly when one is selecting people of this calibre.

MR. CHAIRMAN: Order please. The Honourable Minister on a point of order.

MR. RANSOM: Is the honourable member saying that I have supplied false information to the House?

MR. BOSTROM: Mr. Chairman, all I'm saying is that the Minister is mistaken and perhaps does not have the proper information if he is suggesting that it is unusual, or rather, not unusual, for a civil service person to be not present at interviews of this type. I'm saying that the common practice is for a civil service person to be present at interviews in which there is a selection of personnel for a department. And it is only under the present administration, the Progressive Conservative administration at the present time, that this process is being changed, and Mr. Chairman, this Minister is jumping ahead of that change because the Minister in charge of the Civil Service Commission is presently implementing a system whereby he is signing contracts with departments, whereby the Civil Service Commission is delegating the authority for recruitment, selection and appointment to the department but they must sign a contract for that delegation of authority.

Otherwise, Mr. Chairman, the department is required to go through the Civil Service Commission for their recruitment, selection and appointment of people for the Civil Service. They're not allowed to follow their own procedures and advertise and recruit, select and appoint people without going through the Civil Service Commission.

Now, all I'm saying, Mr. Chairman, is that this process is made even more suspicious and put in a very bad light because of the fact that the interview team was headed up by a person that was appointed by the political masters of the government. In other words, the Cabinet appointed a Regional Services Director, who in turn, Mr. Chairman, is sitting on a selection board in which he is the chief interviewer, selecting four regional supervisors for the Department of Natural Resources. And the fact that there was no Civil Service Commission person present would indicate that there is a danger here that that person, that person

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who was appointed by the Cabinet, could be operating under the instructions of the Minister to select certain individuals for those positions on some other consideration than simply one of merit.

And it's too late, Mr. Chairman, for the Civil Service Commission to come in after the fact and simply look at documentation that arose from the interview situation.

I believe, Mr. Chairman, that it is proper, and it is required for a Civil Service Commission representative to be present at an interview situation such as this, and it's incumbent on the department, and it should be recommended to the department, whether or not the Civil Service Commission Minister intends to go ahead with this new scheme, it should be recommended to the department that they have a Civil Service Commission representative present at these interviews, otherwise the whole process comes under very great suspicion, and it's causing, in this case, in this Minister's department, a serious morale problem. Because he suddenly has five people appealing this process. And he has other people that are writing letters to himself and to the opposition indicating a serious concern here, and expressing fear. In one letter I received, a member of the department was expressing fear on this matter and saying that he would not want to make his or her name public because of the fact that this process was so unfair; he or she felt that the job of the person could be put in jeopardy if his or her name came to the attention of the department.

So I think that the Minister has to look at this whole process to see if he really believes that this is the way in which recruitment, selection and appointment should be made in his department. That's the question I asked him, Mr. Chairman, beyond this particular case that I'm discussing. I'd like to know what the intentions of the Minister are with respect to this process. I'd like to know if he intends to follow this process in future selection; if he intends to set up boards which have no representation of the Civil Service Commission, which are obviously headed up by someone who could be, certainly, considered to be in direct contact with himself or his Deputy Minister.

Mr. Chairman, I think that this is an unfair process and I think that this Minister should change his procedure if that is the one he intends to follow, because I must warn him that he is going to have a very serious morale problem, and because of that he could have a very difficult time delivering the programs that he has the responsibility to deliver under this department. Because people who are not happy working in a department and who feel that the whole process is being handled in an unfair and tyrannical manner will certainly rebel against that system and not perform to the best of their abilities.

So I would simply ask the Minister what he is going to do about this particular situation, and what his policies on recruitment, selection and appointment are going to be for the future in his department.

MR. CHAIRMAN: Order please. I would declare the debate to be repetitive. I have allowed the debate in hope that there was a new line of questioning, rather than what had been previously debated, and I would have to rule the last part of the debate out of order as being repetitive.

(1)--pass - the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I still have not received an answer from the Minister. I have asked a question, a very pertinent question about the policy of his department regarding personnel services, which is the item under discussion.

MR. CHAIRMAN: Before I acknowledge the Honourable Minister, in my views, I had thought that the question had been asked and the answers had been given, possibly not to the satisfaction of the people asking the question. But that was the reason I had made that ruling.

The Honourable Minister.

MR. RANSOM: Mr. Chairman, I respect your ruling and I agree that the preamble which the honourable member has repeated was just that, repetition, but I also would admit that I did not fully answer the question as to the future direction of policy. I don't wish to comment on the specific situations which are under appeal. I don't think that would be proper. My intention is to follow the

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procedures which are regarded by my senior administrative people in the department to be those procedures which are fair and equitable and procedures that have been followed in the department and in the Civil Service Commission for some years. We, in the department, do not have any immediate intention to implement the kind of agreement which was under discussion in the Civil Service Estimates a few days ago. That's not to say that such an agreement would not be implemented but no recommendation has come forward to myself in that regard.

MR. CHAIRMAN: (1)--pass - the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, on that point, I wonder if the Minister could indicate what specific responsibilities the personnel services section of his department will be for the future selection and appointment of individuals in his department. I would like him to describe what personnel he has within this section and what their respective responsibilities will be.

MR. BOSTROM: Mr. Chairman, I outlined the general responsibilities of the personnel services section last Friday when we discussed this item. I expect that the section will continue to operate as I have described. Obviously it would have prevented an impression, I think an erroneous impression, from being given had the Civil Service Commission people been present at the specific interview referred to. That was not a decision taken by myself or by personnel section. They will continue to carry out their duties as they have in the past.

MR. CHAIRMAN: (1)--pass - the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairperson, under this section as I understand it, they also co-ordinate or conduct staff training, and I wonder if the Minister could tell us what staff training has been undertaken by his department.

MR. RANSOM: Perhaps the honourable member could be more specific, Mr. Chairman, because there are quite a range of activities that could fall within the realm of staff training.

MR. McBRYDE: Mr. Chairperson, we'll start out with management training, organizational development training.

MR. RANSOM: Perhaps it would be best if I got a list of the type of programs that they have undertaken, Mr. Chairman, and supply that. I don't have that sort of detailed information at hand.

MR. McBRYDE: Mr. Chairman, the Minister doesn't have in his book in front of him some outline of the functions that have been carried out by this section of his department?

MR. RANSOM: Mr. Chairman, I outlined the functions of the section last Friday when the committee met.

MR. McBRYDE: Mr. Chairman, then I'll ask the Minister what has been undertaken in terms of assisting the staff of this department to have a better understanding in terms of the communities they're dealing with, what has been done in terms of training in this department to assist people to be development oriented rather than police function oriented, in terms of how this department operates.

MR. RANSOM: The member is making an assumption, Mr. Chairman, as to the direction that the department has been going or has not been going. The department has the responsibility of carrying out the management of the natural resources within the purview of the department, and there are a number of functions that are required, of course, to do that, ranging from technical ones in the resource management field, the biological field, through to enforcement and personnel management. But the department does not undertake resource development programs, perhaps of the nature that the honourable member is referring to. And I think as we get further into the Estimates he'll find a place where some of the

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technical services have been transferred to another department, or that sort of developmental advice is provided from that department rather than from this department.

MR. CHAIRMAN: (1)--pass; (2)--pass; (b)--pass; (c) Systems Services (1) Salaries--pass - the Honourable Member for The Pas.

MR. McBRYDE: Could the Minister then give us the number of people and any changes, if any, in this section?

MR. RANSOM: Mr. Chairman, there are 8.13 staff man years in this section; that's the same number that were in the section last year. It simply provides advice to departmental management people in the area of the evaluation development and implementation of general computer systems. It evaluates the effectiveness of both our computer systems and our manual system and recommends improvements that might be made.

MR. CHAIRMAN: (1)--pass; (2)--pass; (c)--pass. (d) Operational Support Services (1) Salaries--pass - the Honourable Member for The Pas.

MR. McBRYDE: Mr. Chairman, would the Minister give us the staff man years and any changes in this section?

MR. RANSOM: Yes, Mr. Chairman, I had agreed to that on Friday at the request of the Honourable Member for Rupertsland that I would be happy, at the introduction of each item, to give them the staff man years and a bit of information about what it does in order to avoid the necessity of them having to rise to place the question every time.

There are 10.13 staff man years in this section; that's the same number that were in the section in 1979-80. It generally is responsible for library services within the department, for vehicle co-ordination and handles departmental inventory and a number of other minor administrative details relating to telephones and that sort of thing.

MR. CHAIRMAN: (1)--pass; (2)--pass; (d)--pass. (e) Public Information Services (1) Salaries - the Honourable Minister.

MR. RANSOM: This section, Mr. Chairman, had 12.42 staff man years in the 1979-80 adjusted vote and has 11.42 in the Estimates before us. It has two or three programs, main programs within the section. One is the youth programs; the wilderness corps being the principle one of the youth programs. It has what they refer to as electronic media programs but provides taped interviews to several radio stations; nine radio stations, I believe, weekly provide some 30-second, 60-second public service announcements, sometimes some interviews with departmental personnel that are involved in carrying out programs, sometimes some interviews with myself. They provide public service announcements from both radio and television that would deal with such things as forest fire prevention and fire safety. They also have a film library which is maintained for the use of schools and game and fish organizations and other interested organizations that wish to acquire materials of that sort, and there is a publications group within this section which deals with the written types of information that are supplied to the public; again both dealing with some of the departmental technical reports, as I understand it, as well as those that are put out more for public information, The Conservation Comment, the Fishing Bulletin, being examples of those.

There are, I think, six of the staff man years in the section that are primarily devoted to this public information area, publications area. Then also there is another function within the section that deals with public information, primarily related to water resources. It's the Conservation Districts and Flood Damage Reduction Program.

MR. CHAIRMAN: (1)--pass; (2)--pass - the Honourable Member for Rupertsland.

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MR. BOSTROM: Mr. Chairman, I wonder if the Minister could indicate which section of his department is responsible at the present time for resource royalty collection, and where we could ask questions of that?

MR. RANSOM: We could discuss that item, I think, Mr. Chairman, when we come to the resource branch, the specific resource branch that's involved, although our financial services people are to some extent involved as well, but I think that as we get to the administrative items in each resource branch that we could deal with that issue.

MR. CHAIRMAN: (1)--pass; (2)--pass; (e)--pass. (f) Internal Audit Services (1) Salaries - the Honourable Minister.

MR. RANSOM: Five staff man years in the Estimates before us, Mr. Chairman, and there were five staff man years last year as well. The purpose of this section is to provide a service to management by reviewing our accounting financial operations and appraising, evaluating the extent of compliance with management policies and plans, generally an internal effort to protect the department from such things as fraud, as well as waste and loss through misapplication of policies.

MR. CHAIRMAN: (1)--pass; (2)--pass; (f)--pass; Clause 2.--pass; Resolution No. 101--pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$1,988,900 for Natural Resources, Administrative Services, \$1,988,900--pass.

Item 3. Resources Executive Administration, Resolution 102. Item (a) Resources Administration (1) Salaries - the Honourable Minister.

MR. RANSOM: There are four staff man years in this area, Mr. Chairman, as there was last year. That includes the Assistant Deputy Minister and two administrative secretaries and one senior officer who deals with forest management agreements.

MR. BOSTROM: In this area, Mr. Chairman, the Minister indicated, I believe we could ask questions on resource revenues, and I wonder if he could indicate, for comparison purposes, what resource revenues in the area of forestry royalties on stumpage were collected in the past year and what he estimates to be the royalties to be collected under the fiscal year under consideration?

MR. RANSOM: Mr. Chairman, I had suggested that those items could best be dealt with under the resource branches, meaning that we would deal with that specific one under forestry and we would deal with the wildlife ones under wildlife. This item is the Assistant Deputy Minister's office.

MR. BOSTROM: On the Resources Executive Administration, perhaps the Minister could give us a brief description of the policy of his department with respect to the resource allocation within the province, what general principles and policies he has adopted since becoming Minister and what policies and directives he has issued to his department regarding the allocation of resources to groups, individuals, communities, or whatever, what the priorities are for his department in allocating resources.

MR. RANSOM: I'd be happy to deal with that, Mr. Chairman, when we come to Item (c) which is resource allocation, and then I think we could deal with that in general under that item and probably as we get into the individual resources branches there would be more detailed questions.

MR. CHAIRMAN: (1)--pass; (2)--pass; (a)--pass. (b) Operations Administration (1) - Salaries. The Honourable Minister.

MR. RANSOM: Yes. There are five staff man years in this section, Mr. Chairman. This is the Executive Director of Operations Administration, who has responsibility for the Engineering and Construction Branch, for the Regional

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Services Branch, and Surveys and Mapping. So it is the Executive Director with his administrative support and as well, I believe two positions that handle the departmental inventory - yes, primarily departmental inventory.

MR. CHAIRMAN: (1)--pass; (2)--pass; (b)--pass. (c) Resource Allocation (1) Salaries - the Honourable Minister.

MR. RANSOM: There are eight staff man years in this group, Mr. Chairman, and there were eight in it in 1979-80 adjusted vote. This is a group which was established last year with the general objective of providing an overview on the allocation of our resources that would be able to take a perspective that was somewhat different than that of the individual branches which to some extent have an advocacy role in advocating a specific use of resources. So this group was set up to bring us up-to-date on the inventories of resources that we have available, and to try and identify some of the weaknesses in those inventories. It has been assigned the task of developing an overall recreational strategy within the province; to try and identify, largely on the basis of existing information, what sorts of recreational demands we're facing in the province; what efforts have been made to meet those demands, the role that an individual branch might play in meeting those demands, and in identifying demands that are not being met.

In addition, we want to try and assure ourselves and the public that when we allocate resources to a use that in fact we are only allocating them to one use and not to two or more uses. Unfortunately, in the past, and I don't say "in the past" in the sense of just the previous government, governments before that as well have allocated resources on a somewhat haphazard basis which was understandable; as our province developed and resources were abundant it was rather a simple matter simply to allocate resources to uses as they were asked for. But that has led to some overlap and some allocation of resources to more than one use, and we now face difficulties as a result of that. We are trying to eliminate or minimize that.

The Honourable Member asked about some general policy direction for the allocation of resources and as we get into the individual branches we will be able to talk in somewhat more detail about branch policy, but I think it would be of interest to the House, and perhaps pertinent to the question that he asked, that our allocation of resources for communities is to be on the basis of the individual communities - and now I'm speaking of northern or remote communities - but the allocation of those resources should be to the needs of the community as a first priority, and only to other uses as they are not required, or not utilized by the community in question.

Otherwise, we have set a number of . . .

MR. CHAIRMAN: Order please. The hour is 4:30, I am interrupting the proceedings for Private Members' Hour. I will return at 8:00 p.m. this evening.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. The first item of business on Mondays in Private Members' Hour is Resolutions. The first Resolution on the Order Paper today is Resolution No. 12.

RESOLUTION NO. 12 - AMENDMENTS TO INCOME TAX ACT - HISTORIC BUILDINGS

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Wellington, that:

WHEREAS it is in the public interest to conserve and rehabilitate heritage buildings rather than to allow them to be destroyed, and

WHEREAS the provisions of The Income Tax Act as presently written promotes demolition and does nothing to preserve our historical and architectural heritage, and

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WHEREAS the enactment of the following proposed amendments to The Income Tax Act would encourage the revitalization of the Canadian construction industry (through the stimulation of renovation work) and would promote the conservation of historic buildings,

THEREFORE BE IT RESOLVED that in the interest of conserving the architectural and historical heritage of Canada, the Government of Manitoba urgently request the Minister of Finance of the Government of Canada to consider amending The Income Tax Act as follows:

(a) allow the renovation expenses on designated historic buildings to be deductible from other taxable income.

(b) delete the provision in which an investor, upon the demolition of a designated historic building, may deduct an amount equal to the "Book Value" (or undepreciated capital cost) of the building from his taxable income.

MOTION presented.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Speaker. I would like to begin by acknowledging the encouragement that has been given to the Heritage Movement in the city of Winnipeg particularly, by the Minister responsible for historical resources. And in particular, acknowledging that encouragement and the gratitude of Winnipeg historians for the involvement of the former Assistant Deputy Minister, Miss Mary Liz Bayer, whose enthusiasm and dedicated support to the whole Heritage Movement in Winnipeg has been an inspiration to everyone involved in it, and all of us are very sorry that Miss Bayer is retiring from the Civil Service and moving out of the city, because she was an invaluable person to have as Chairperson of Heritage Winnipeg.

This resolution that is before the House is very similar to the one that was passed about a year ago by Winnipeg city council, and that was endorsed unanimously by the city council, in the belief that some of the problems that confront owners under the present arrangements perhaps should be relieved, and the best way to do that, after much consideration those who have been involved with the Heritage Movement in Winnipeg have decided the best way to do this is through encouraging changes to The Income Tax Act.

I'd like to give a little bit of history on the city of Winnipeg Historical Buildings By-Law which was passed in February of 1977. This established Historic Buildings Advisory Committee, which is made up of volunteers, apart from a couple of city councillors they are architects with a historical perspective and historians, and these people have drawn up an inventory of buildings or structures in the city which are of significant architectural or historical interest. And also the by-law has established the criteria, priorities and procedures for placing buildings on the buildings conservation list. This designation will ultimately be the legal protection placed upon buildings by the city council.

The goal of Heritage Conservation, Mr. Speaker, is to retain the original character of a building while encouraging those changes which will make it useful. Heritage conservation is an increasingly important factor in the development of Winnipeg as an interesting, attractive and cosmopolitan city.

The criteria for heritage buildings: Building or structure is considered to be of architectural or historical importance if (a) it has been associated with the life of an important historic figure; (b) it's been associated with a major historical event or theme; (c) embodies a distinctive architectural style; (d) illustrates the work of an important architect, designer or craftsman; or if (e) it contains significant original materials and workmanship.

There are four categories of historical buildings under the city's by-law. Grade 1 buildings are those of outstanding architectural or historic merit which should be preserved in perpetuity - both the exterior and the interior of the building should be preserved in perpetuity.

A Grade 2 listing would preserve the exterior and certain elements of the interior, and this can be a handsome staircase, or a particular ceiling, or a fireplace or a board room. I know of one building down on Princess Street where

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there's a very beautiful board room that's remained, even though the rest of the interior is really of no importance historically at all.

A Grade 3 listing would prevent demolitions of buildings which, in the opinion of the community committee, have particular local significance to the community. Where the demolition is approved, it's because the owners have proved to Environment Committee and to council that it's not economically feasible to restore the building to its use; and perhaps those members of the House who come downtown via Stradbrook and Wellington Crescent will have noticed that at 64 Nassau Street, those very beautiful old buildings which belonged to the Rogers family in the past are disappearing and are being replaced by an apartment block. Those buildings, the Rogers buildings, were a Grade 3 designation, and the owner was able to prove to environment committee and to council, to their satisfaction, that it was not economically feasible to retain those buildings.

I must say that I am one of those that's very disappointed in the decision of council to allow those beautiful and historical buildings to vanish and perhaps one of the reasons that I feel so strongly about it is that I understand it was the residence of Mrs. Edith Rogers, who I think was the first woman MLA in Manitoba.

Now, a Grade 4 listing, and most of the buildings that are going to be listed that are on the inventory will come forward with a Grade 4 listing, and this allows demolition, there is nothing to prevent demolition. The only reservation is that the city be allowed to record, by photographing or drawing those elements which have some historical importance and perhaps to preserve certain elements such as there may be something on the exterior, there may be important doors inside which should be preserved for future historians. So under a Grade 4 listing, which covers nearly all of the buildings that are in the present inventory, that would be permitted before demolition.

City council and the Environment Committee make a recommendation for listing to the Committee on Environment which notifies the owner there's a hearing if the owner objects, and it goes on to city council and then city council makes the decision whether it shall be listed. So designation has been effective, Mr. Speaker, insofar as it provides protection against immediate demolition, but it is not the be-all and end-all for Heritage.

I have here a list of recommendations that came forward in 1979. There were 18 recommendations, and you know, one hears and reads a lot about the fact that the city is insisting on preservation of buildings that really perhaps shouldn't be preserved, but of these 18 recommendations three were demolished and not listed, four city council decided not to list. For eight of the 18 there was no objection from the owner at all, in fact in some instances the owner came forward and asked for their building to be listed, and three were listed against the recommendations of the owner and those three will be very well known to members. One is the Empire Hotel which is listed as a Grade 2, that's because of its very beautiful and significant exterior, there's not very much in the interior that's required to be saved, and the Bank of Commerce and the Bank of Hamilton, which were listed as Grade 1. And very much, I would suggest, with the support of most of the people in the city of Winnipeg.

The listing of Heritage Buildings is still subject to attack by those owners who feel threatened by a possible economic loss, and in this context I want to mention some buildings that have been restored by their owners at no cost to the taxpayer: The Bank of Montreal at Portage and Main, a very beautiful restoration job on that particular building, done before the Historical Buildings Advisory Committee was even in existence and before the Heritage Movement became a fashionable movement to be associated with; the Old Market Square warehouses; the bank at the corner of River and Osborne, the old bank which has now become the Courtyard, and for which the architect and former owner received a National Heritage Award for the restoration that had been done there, all of these buildings at no cost to the taxpayer, Mr. Chairman.

One of the members of Heritage Winnipeg Board has stated that the surprising success of Heritage Winnipeg and its efforts to protect the Bank of Commerce and the Bank of Hamilton have caused a great deal of concern and some bitterness in the real estate industry. This is because the real estate industry has felt threatened by the movement that has come to the fore in Winnipeg in the past three to four years. But when a similar resolution to that one that is before the House

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was debated on the floor of council the real estate industry expressed support, Mr. Speaker, and I think that that's something that it's important; that members of the House should realize, that the construction industry is in favour of getting involved in the restoration of heritage buildings, provided that it's economically feasible to do so, and they feel that these changes to The Income Tax Acts that are proposed here, will make it feasible. Mr. Louis Landa, Vice-President of Lakeview Equities, appeared as a delegation before council asking that the motion be passed, and particularly adding substance to the third whereas of the motion.

What does the resolution really say, Mr. Speaker? Many people have discovered that it is financially more rewarding to demolish an older building than to maintain it. For many owners a pile of rubble is more financially feasible than the original building. Loopholes in The Income Tax Act recognize a building that somehow becomes lost or retired, as they call it, which means demolished, apparently, is allowed as a tax deduction. The owner can deduct the full book value of the property from his taxes for a period of over seven years. The owner who demolishes his heritage structure is in a much better position than the owner who maintains it.

MR. SPEAKER: Order please. The Honourable Member has four minutes.

MRS. WESTBURY: Thank you, Mr. Speaker. The owner who decides against demolition usually has to renovate in order to keep the building in working order. The present Income Tax Act provides certain incentives and disincentives for owners of older structures. The incentives are for demolition, the disincentives are for renovation and donation to the country. This motion suggests that The Income Tax Act should attempt to do the reverse, Mr. Speaker.

If these or similar changes are enacted owners will be coming forward, they will be lining up asking to be listed as heritage buildings, for their buildings to be designated. At the present time, it's socially advantageous to own . . .

MR. SPEAKER: Order please. I apologize to the member. The honourable member has eight minutes.

MRS. WESTBURY: I'm going to have to drag it out a little bit. At the present time it's socially advantageous to be the owner of a heritage building, Mr. Speaker, and if we match that with making it economically advantageous to own a heritage building, then I suggest that the social advantage will rapidly become paramount. I suggest to members of this House that this motion should be supported because most of the people of our city and our province want their history and the signs and memories of their history to be recognized and honoured.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. NORMA L. PRICE (Assiniboia): Thank you, Mr. Speaker. Firstly, I would like to thank the Honourable Member for Fort Rouge for bringing this matter of tax treatment of heritage properties before the House. However, I'd like to tell her that it really hasn't gone unnoticed by myself or by my department, and the question of heritage properties in Canada and the impact of The Income Tax Act upon their preservation and restoration and recycling is a matter of concern to everyone interested in historic conservation; and it has been discussed and studied at great length by several organizations in Canada, namely Heritage Canada and Heritage Winnipeg.

The Ministers of Cultural Affairs for all the provinces, Mr. Speaker, met last February in Edmonton at which this matter was brought up, and it was requested that it be studied in much depth. At a subsequent meeting that was held in New Brunswick in September of 1979, it was discussed further and there was a paper entitled "Tax Treatment of Heritage Property" brought to the conference and there was a very good discussion held on it with the then Secretary of State, the Hon. David MacDonald. At that time, a committee of provincial Deputy Ministers, and for which I am pleased, Mr. Speaker, there were four Deputies selected and my Deputy was asked to represent the western provinces. They had a meeting in

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October in 1979 to examine these problems in some depth, and it was decided that it was a matter of review that should be brought by the federal government. And I'm pleased to report, Mr. Speaker, that there was an interdepartmental committee of senior officials of the federal government struck to study this, and the departments that are represented by the federal government are the Secretary of State; Finance; Treasury Board; Trade and Commerce; and Revenue Canada.

Therefore, the Honourable Member for Fort Rouge can see that we are in earnest and studying it in the most efficient manner possible and it is my feeling that at this time, while we're giving support to this process, it's my feeling that at this time, the resolution she has tabled in the House may be rather limited in its scope. I know that her resolution has been inspired and the text taken from a draft position paper on this subject by the project co-ordinator of Heritage Winnipeg, and I commend the honourable member for her concern, and I certainly share it.

However, there are many related issues that are not raised in her resolution, such as, first, the need for improvements in the Income Tax treatment of gifts of heritage property to a public body. While such donations are deductible in computing a taxpayer's income, the carryover provisions for any unused portion of the deduction may be too limited.

In addition, No. 2, the Income Tax Act currently stipulates that such a gift is deemed to be a disposition of the property at fair market value and may therefore result in a capital gain or a recapture of capital cost allowance.

And thirdly, Mr. Speaker, it is frequently stated that renovating heritage buildings is more costly in relation to the revenues that are generated rather than comparable investments in a new building, and as a result, financial arrangements are generally much more difficult, or could be much more costly to obtain than it would be in a new structure.

Also, there are special incentives to encourage investment in renovating and restoring historical buildings that have been recommended, and the possibility of interest payments on the financing of such projects receiving special tax treatment is under consideration at this time.

Other possible incentives include accelerating capital cost allowances or allowing a wider application of capital cost allowances against other income. This broad range of options, as well as the two specific options included in the resolution presented by the member, Mr. Speaker, are presently being evaluated by the federal and the provincial officials, and it is my view, Mr. Speaker, that at this time it would be a little premature to call on the federal government to implement the limited action as proposed in the resolutions.

Having recognized that this government's support for changes to the Income Tax Act that will encourage the preservation of historical properties, I would like now to express some of the other reservations that we have about the proposed resolution. Firstly, I do not accept without qualification the second whereas of the resolution. This section of the resolution, Mr. Speaker, implies that the current income tax provision promotes the demolition or the destruction of our historical and architectural heritage.

Mr. Speaker, I suggest that the decision to demolish older buildings is generally one that is decided on, whether it's a historical interest or not, on the general economic factors that surround the situation and certainly not necessarily to some limited provisions of national Income Tax legislations. The higher costs of conducting business operations in older buildings, including extra heating costs, maintenance costs, insurance costs, etc., as well as reduced capacity to serve customers all contributes to a much higher cost and therefore less profits for the people in question.

In contrast, a more modern structure with more efficiently utilized space with lower energy requirements, etc., do offer savings to the investor while offering a potential to serve additional customers and therefore have additional revenue.

So the decision to demolish an outmoded building, whether it's of historical value or not, Mr. Speaker, I think rests on these kinds of economic considerations, rather than on Income Tax provisions. However, there are overriding historical or other public interest factors such as the owners of such properties should be compensated for additional costs incurred in bringing such buildings up to acceptable levels of efficiency. And while the income tax system may, in some cases, be a preferred vehicle for this type of compensation, I think this is not

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equivalent to saying that the income tax promotes demolition. Whether there are some provisions of the income tax system which may influence a decision which is being examined, the fact is that the question that is brought forth by the honourable member is now being studied by the interdepartmental federal officials committee that I mentioned earlier, and I think it would be preferable at this time not to preclude and prejudge the conclusions of this review.

Certainly, Mr. Speaker, the argument that's outlined in the third Whereas of the resolution is not supported by a reasonable assessment of the facts. In essence there appears to be a suggestion that the renovation of historical buildings would help the construction companies and that, in turn, would help the employment situation in the province. And I think, notwithstanding that it's a building of historical value, I think it seems questionable, to say the least, that it wouldn't be more profitable to somebody to tear down an old structure and have it rebuilt, replaced by a new building.

Thirdly, Mr. Speaker, it might be worth noting that the resolution fails to draw any distinction between buildings of historical significance which are used for commercial purposes, which are recognized and, in the case of the Income Tax Act, for the renovation expenses, or buildings that are of historical interest which are not used as a commercial purpose, and the renovation and other expenses associated with this type of a building is simply not deductible.

It's not clear, also, whether the honourable member's intention is that resident owners of historical buildings should be permitted to deduct from their Income Tax any renovation expenses, despite the fact that such expenses are not incurred to promote any income. Implementation of some form of income tax recognition of such expenditures would certainly lead to questions from other people that have older homes that are in need of renovations and they could be wondering why their renovation expenses should not also be deductible.

Finally, before any specific decision is made, Mr. Speaker, I think it would be of prime importance to find out just what the overall costs would be to the federal and the provincial governments. Therefore, I'm sure that all the honourable members will agree that this is a very complex matter and it is also being examined, as I said before, at the present time, by the federal government, with a view to develop appropriate policies to encourage the preservation of these properties.

And at this time, Mr. Speaker, I don't think I would want to limit or prejudge the outcome of that review, as might be the case, if the specifics of the resolution were approved.

Therefore, I would like to suggest that it would be preferable at this time for this House to express its concern regarding the value of preserving heritage properties and to inform the federal government that it supports, in principle, representations made by provincial Cultural Affairs Ministers, as well as interested organizations and Heritage Canada and Heritage Winnipeg.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Wellington.

MR. CORRIN: Mr. Speaker, it's with a great deal of pleasure that I rise to participate in this particular debate. I can tell you that I had the honour of participating in some of the work that has laid the foundation for this particular concept's fulfillment and advancement when I was a member of Winnipeg City Council, and it's of some significance to me that I now have the opportunity to further the initial work that was done there in this forum.

Mr. Speaker, I think, listening to the Honourable Minister address herself to the resolution's text, that she has somehow perhaps missed the point. I am aware that she expressed some vague sentiments of support for the resolution but with respect, Mr. Speaker, it was my perception that she did that in a rather tepid and half-hearted manner. And I don't say that to be critical, Mr. Speaker, but rather to perhaps emphasize and underscore the problems that have plagued the advancement of this concept since its inception by the former New Democratic government in the early 1970s.

Mr. Speaker, in this regard, something of a more dramatic, emphatic, activist approach has to be taken. This is a problem that simply must be addressed by the public sector in a more comprehensive and vital manner, and the reason for that,

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Mr. Speaker, is because it bespeaks confrontation between the values of society and the values that most Manitobans ascribe to, and harsher values ascribed to very often by the commercial sector of our financial community.

Mr. Speaker, in this regard, I can give no better example than the confrontations which have arisen with respect to the designation of historic properties by the city, and regarding civic bank properties. Just a week or so ago, Mr. Speaker, as I am sure most members are aware, the Bank of Nova Scotia had another round in its continuing range of conflict with Winnipeg City Council. Moreover, Mr. Speaker, as we all learned, it wasn't just a question of a conflict with Winnipeg City Council in their representative capacity but with literally hundreds of Winnipeg's residents who came out to protest the bank's position relative to the designation of their Portage and Garry banking premises.

As many members will be aware, Mr. Speaker, this is a bank that was erected in 1908, at the historic corners of Portage and Garry Street; it was then, I am advised, known as bankers' row. It's a particularly interesting building insofar as it's the only domed bank in all of the prairies. Its building is clad in terra cotta and granite. It's, I think, an astonishingly beautiful reminder and relic of Winnipeg's fine past.

Certainly, Mr. Speaker, it bespeaks the proud traditions of this city and the pride which the residents take in the roots of the city. I think, Mr. Speaker, it's important that we remember that all these buildings are in fact, a direct connection with the past, and that, Mr. Speaker, is the hallmark of civilization: a community, a society that is aware of its past and precedence, that has some sense of its forebearers and its traditions, and some pride in the work that was accomplished by forebearers before them.

So Mr. Speaker, I rise in my place and I address you as perhaps exemplific of the mentality that bespeaks the need for a more activist position in this regard, the position taken by the Bank of Nova Scotia in dealing with the city. Mr. Speaker, the bank initially advocated that that fine building should be demolished. They quite rightfully pointed out that the building was uneconomic in terms of land use, and I think, Mr. Speaker, all the members of this Assembly would agree that in terms of strictly commercial and financial values, they were correct. Certainly the building was not constructed in 1908 with a view towards the 1980s and inflated energy costs. It was never contemplated that it should stand in an era when high-rise density is available to large scale developers such as the Bank of Nova Scotia represents. But Mr. Speaker, notwithstanding that, the representatives in this Assembly several years ago said that certain buildings, notwithstanding their economic value to the financial community, should be preserved.

So, Mr. Speaker, we've had a long tradition for the past few years of confrontation between various chartered banks and the public. I know that I participated in one particular situation involving a Canadian Imperial Bank headquarters on Main Street; I believe that other members have also had involvement in that regard.

Mr. Speaker, it's clear to me that in all fairness, in terms of justice and fairness, it's imperative that we give consideration to providing some amelioration and relief to peoples whose properties are stigmatized by designation and whose rights are, essentially, confiscated, expropriated, as a result thereof.

It seems to me, Mr. Speaker, that if we are to advance social purposes, as we have done through the legislation we have put in place in the early 1970's, then we have to demonstrate a firmer commitment by way of special incentives that will encourage and perhaps even induce members of our business community to fulfill the goals that we have set out for them.

Mr. Speaker, I'm not going to suggest that I find the resolution before us to be perfect; I wouldn't suggest that it's sufficiently comprehensive in breadth and scope to provide perfect relief with respect to this problem, but, Mr. Speaker, I would suggest that it's a way, it's a manner of coping and dealing with this particular matter.

Mr. Speaker, there are more than just social reasons for encouraging this sort of legislative review and reform. Mr. Speaker, as the Honourable Minister of Tourism is aware - Cultural Affairs and the Tourism Minister, I presume they've both been privy to this document, Mr. Speaker - in February of this year a review of historical sites was taken by the Research and Planning Branch of the Historic Resources Branch of the Minister's department and Mr. Speaker, we are advised that

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the Minister's inquiry determined that, after taking a poll of visitors to our city, that historical sites were ranked as a matter of top priority and interest to people bound for a vacation in this city.

So, Mr. Speaker, on the basis of this research and review, this resolution seems not only to address itself to a pertinent social problem but it perhaps suggests a way to inducing more business activity in the city. So, I would suggest that it has other ramifications.

I've done some research, Mr. Speaker, and I can tell you, that although I can appreciate that this approach is not necessarily the only approach, I can assure you that it's worth looking into. Apparently, Mr. Speaker, there's a great deal of difficulty encountered by peoples whose properties are designated. Apparently, there have been lengthy arguments over what constitutes business expenses and renovations and what constitutes capital expenses; the former being recognized as inducing a deductible expense write-off against income, the latter of a capital nature providing write-offs on a depreciative scale but not necessarily as conducive to the purpose as the former.

Without going into any detail, Mr. Speaker, I would suggest that we have, on this side, some concern about this sort of tax write-off inducement. The hidden subsidy factor inherent in such an inducement gives us cause for some concern; we feel that the tax system, if it's to be equitable, must be understandable and above board. We feel this sort of special treatment, although perhaps merited in this exemplary circumstance, is perhaps conducive to some distortion of people's perception of responsibility for public matters. We would prefer that there perhaps be consideration given to property tax relief; we would suggest that it's a possibility that we look into something in the nature of grants, federal or provincial grants, in lieu of taxes to the civic authorities. We certainly recognize that the owners of these buildings are put in a difficult position because of the confiscation of their usual rights: they're not allowed to demolish their property; they're not allowed to improve their property. We feel that perhaps that should be recognized by way of special tax relief, property tax relief.

Mr. Speaker, we on this side would even be willing to consider something in the nature of reimbursement for confiscation of rights; perhaps something parallel or analogous to the sort of reimbursement that's provided to persons whose property is expropriated. We feel that, in fairness, if a person's right to develop his or her property is removed, that there should be some compensation, there should be some consideration given to the loss of that individual property owner's rights and that its incumbent on the expropriating "authority" to provide some sort of relief in recognition of that confiscation.

We're not suggesting, Mr. Speaker, that we know how expensive that would be; we don't know whether or not that sort of public investment, as a financial priority, is warranted but we're suggesting to the Honourable Minister that it certainly merits consideration. I suppose, in this regard, I could say that I could see that there would be some basic justice in the compensation format. Because I think that an owner, having been compensated for loss of market value, could then make a deliberate decision as to whether or not they wish to sell the property, dispose of it on the open market at that point to some person who had an interest in the site as an historic property, or retain it and improve it.

But, Mr. Speaker, I know that the current situation is one that creates a lot of difficulty. I know that there is some question, in terms of tax anomalies and their application to the heritage property, there is currently some question as to when business expenses, as I said before, become capital expenses. Apparently, they're ruled to be a capital expense if there is a total restoration. This, Mr. Speaker, often causes a hardship because, of course, on the one hand we encourage people to restore properties to their original state and, on the other hand, by declaring such an expense to be the capital nature, we don't give them the full income tax benefit that I think they should be accorded.

You see, Mr. Speaker, if they merely renovate their premises, say to a state, as it was, five or ten years before rather than a hundred years before, they can write-off and deduct the expense against their income over that year, or a short period of time. If they do a total restoration and recycling of the building, they're only allowed to write off 5, 10, or 15 percent, depending on the character of their renovations over many, many years. Now, I suppose that's fine. The

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latter case is fine if you're a very large business entity and you have a lot of capital. I suppose, as a matter of fact, it's conducive to doing that sort of work. But if you're a small entrepreneur interested in upgrading a relatively modest property - and I think in the heritage areas of Winnipeg that is often the case - it makes redevelopment virtually prohibitive.

There is also a crazy income tax rule which is known as the once-and-for-all rule, which essentially says that . . . It's sort of a corollary of the former rule, which says that if a repair is done once and for all it's deemed to be capital and therefore it can't be written off against income.

One queries, Mr. Speaker, when thinking about this, how, when we pass legislation that says that if buildings are to essentially last forever, when we say that they cannot be demolished because they're designated as heritage sites, how the income tax can anomalously deal with such improvements on a once and for all capital basis. I mean, common sense says that that's an essential defect in the legislation and I think that if the business people were to raise that, that concern would be justifiable and I think we should do something to redress that.

Mr. Speaker, in conclusion, I can indicate that I know that the United States has taken steps to reform their tax laws. We find that now they report, and I can quote from one of their reports that from \$300,000 being spent on heritage sites in 1968, we have a boost of \$60 million in 1980. That's, I think, phenomenal and I think that's reflective of the impact that tax reform can have. I can indicate that those buildings that have been restored are being reused in a modernized state without losing their original character but are productive economically.

So, I think there is more than one impetus that should motivate members of the assembly, Mr. Speaker, to support this resolution. As I said, it represents, perhaps, the tip of the iceberg, but I think it recognizes the importance of preserving man-made environments and also, I think, recognizes the importance of turning our minds to a more conservative ethic - no pun intended, but a more conservative ethic - and in the faces of faltering economy and energy shortages, Mr. Speaker, I think this particular viewpoint is going to have greater and greater currency and I recommend it to members of the assembly.

MR. SPEAKER: The Honourable Member for River Heights.

MR. GARY FILMON: Thank you, Mr. Speaker. I, too, rise in support of the motion brought before this Assembly by the Member from Fort Rouge. I think it's significant that three alumni of the Winnipeg City Council are speaking in favour of this particular resolution and objective and from three different political stripes. So, it is a concept which has widespread support; it's a concept which, I believe, all of us should look to as a positive one on behalf of the City of Winnipeg and all the people that we represent.

Mr. Speaker, as the previous speaker has mentioned, preservation of our historic buildings is something that involves a tie with our history, with our past. It's something that sociologists and psychologists suggest provides us, our children and our grandchildren with a sense of belonging, with knowledge of our roots, which will lead to, I think, a stronger commitment, not only to our city but our province, our country and our fellow man. I think it's something that I have often said in discussion with friends, Mr. Speaker, that differentiates us from some of the boom cities of our country. If you look at a city such as Calgary, it has much, certainly, to be said in its favour but I've always felt that there was a lacking of a sense of history that we have here in Winnipeg. There isn't the kind of ordered development that we've been able to achieve over the years. There aren't the numbers of older buildings of significant architectural and historical importance, and I think it's a city that lacks in its attractions, certainly for me and for many people because of it. If you look at the strong traditions that are developed in many of the older European cultures you find that they're based on the heritage that they've always seen was very important to protect. Having been involved in the development of the Historic Buildings Preservation By-law in Winnipeg I know that we had opportunities to take a look, at various times when I was aware that the proposal was coming forward, looking at what other cities have done.

The Member for Wellington has referred to what's happened in the United States in particular. I vividly recall in a trip a few years ago to Boston, the

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marvellous job that's been done in preservation of the historic buildings, not only of historic importance or architectural importance but just preserving their older buildings, recycling them, renewing them, retrofitting them and making them so attractive, in fact, in my view, more attractive than the new buildings that are in downtown Boston. That's something that was done by a concerted effort by municipal government, by a concerted effort by interested people in historical societies, and with a great deal of support from their federal government.

Reference has been made to the legislative changes that they brought in that encouraged preservation, that encouraged them financially and economically to make their buildings viable after renovation, and I think that's a very key concept, the economic viability; because I believe that the process that we're into here in Winnipeg and indeed anywhere where we are looking at historic buildings is one of several stages.

Firstly we have to recognize that these buildings are of value historically, architecturally, and from a viewpoint of preservation of our heritage. Having done so we have to take the step of making an inventory and weighing the costs and benefits, so to speak, and putting actual, as closely as possible, actually putting on values on these buildings, more or less a grading system which the Member for Fort Rouge has referred to and that's the second stage, the so-called listing stage in order of importance and how we are going to go about preserving them.

Having taken those steps the third stage, and the one at which I don't think we have yet reached, is that of insuring economic viability. The Member for Wellington has given us several views from his side as to how the economic viability might be assured in these buildings. But certainly there are implications and complications from certainly the federal side and even the municipal side that work towards making many of these buildings that we would like to protect, that we would like to preserve for our heritage be not viable to do so economically. And these things in effect lead to the present stage which is really expropriation without compensation.

The federal legislation as has been referred to, makes it so that buildings are written down through capital cost allowances to a certain point and if you renovate them and then sell them then you are faced with a massive recapture of capital cost allowance. If you don't do that, if in fact you just tear them down you don't have the recapture to deal with, you sell the land and you have a capital gain of which, as members well know, only half is taxable. So there certainly is a disadvantage at the present time in federal legislation.

I think there's another area that can and should be addressed by the city and that's in its own property taxes. Let's take the example of the building that the Member for Wellington showed us in photographic form, the Bank of Nova Scotia building. I looked at that building as an interested potential investor some time ago and it has about 22,000 square feet of rentable space. It's a magnificent old building of course with its marble and polished brass throughout. It has the main floor level, a 25 foot high ceiling, great appeal as far as I'm concerned in preserving something of that vintage. High energy costs, of course, high operating costs, but more so than that a municipal property's tax structure that's unbelievable. Last year the property taxes on that building were \$107,000 for 22,000 square feet of rentable space. That amounts to \$5 a square foot for the property taxes alone, something, as far as I'm concerned, out of all proportion.

I believe that there's a role here to be addressed by the municipal government that has not yet been addressed. And in addition to all of the things that we're suggesting in approaching the federal government, I believe there's more than a little responsibility on the part of the city itself to look at its property tax structure and suggest that if a building is worth preserving, if a building is worth protecting from demolition, which I believe it is, then the city has to take some active role in ensuring the viability of it by in some way changing its property tax structure on designated buildings. That doesn't overcome what I suggest is a role that we can play and the federal government can play. --(Interjection)-- May well be, may well be. The Member for Inkster says they shouldn't tax it at all and that may well be the case. I'm suggesting that they ought to look at it. If they believe that a building is worth preserving then they have a right and a responsibility more so to look at the economic viability of it and to judge their tax structure in accordance with it as well.

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I think the implication that the Member for Wellington took from the remarks that were made by the Minister of Cultural Affairs was that she wasn't necessarily totally in favour of this measure. That's not the interpretation, I believe at all, in fact the Minister was referring us to various studies that have already been undertaken, that have been supported by Ministers of cultural affairs at federal provincial conferences in the past. I think more so than just the fact that the measures that are being proposed, that it wasn't a matter that she didn't agree with him, it rather was a measure that she felt should be broadened and widened to include various other things that could and should be looked at. I don't think that either the Member for Wellington or the Member for Fort Rouge would disagree with that because he said that he was in favour of some amelioration or relief sufficiently comprehensive. He wasn't sure that this was sufficiently comprehensive or by any means perfect, in fact the Member for Fort Rouge suggested that these or similar measures should be adopted.

So I believe that what we're saying is, since studies are already under way, the Federal Business Development Bank, I understand that a report was being prepared for the Minister of Indian Affairs and Northern Development, I understand that the Ministers of Cultural Affairs at various times have made proposals. And this motion which is taken directly out of an adopted motion of city council of February 6, 1980, taken directly out of there, may in fact be too narrow; may in fact not consider all of the alternatives that have been suggested in the debate so far that gifts to the government may result in a deemed disposition for capital cost allowance recapture purposes that may still need to be addressed over and above the measures that have been suggested in the motion; that the acceleration or the widening of the application of the capital cost allowance against other income is another good thing that should be considered by the federal government.

So, Mr. Speaker, I suggest that maybe in adopting this motion we would be narrowing the scope of the proposal to the federal government too much and rather we should be broadening it as much as possible. I know that this is a concept that is supported widely. As I indicated it's supported by members of all parties, I believe. Although it was initially resisted by investors in the city it's a concept that I think has, by and large, been agreed to by many. I understand that a representative of a large development company in this city spoke in favour of it at this particular meeting of city council earlier this past month. I understand that the wider acceptance of it, I think, is going to result in more and more development of this concept. But in order to not restrict it, Mr. Speaker, I believe that what should be done is that the motion should be amended to the broadest possible application to be given to the federal government so that we indicate our support for the concept but rather we don't restrict it to two particular areas of scrutiny.

And so I would move an amendment, Mr. Speaker, seconded by the Member for Springfield:

THAT the motion be amended by deleting everything after the words: "rather than allow them to be destroyed" in the paragraph beginning by, "WHEREAS it is in the public interest . . ."

And substituting the following therefor:

"THEREFORE BE IT RESOLVED that in the interests of conserving the architectural and cultural heritage of Canada, the Government of Manitoba inform the Minister of Finance and the Secretary of State of the Government of Canada that it supports in principle representations made by Provincial Ministers of Cultural Affairs and heritage-minded organizations such as Heritage Canada and Heritage Winnipeg, which call for early consideration of changes to The Income Tax Act (Canada) to encourage the preservation, restoration and recycling of heritage properties."

MR. SPEAKER: It's been moved by the Honourable Member for River Heights, seconded by the Honourable Member for Springfield, to delete everything after the words, "rather than allow them to be destroyed" in the paragraph beginning, "Where it is in the public interest".

Perhaps, the hour being 5:30, I'd better take this under advisement. The hour is 5:30. The Honourable Attorney-General.

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

MOTION presented and carried and the House adjourned and stands adjourned until 2:30 p.m. tomorrow afternoon. (Tuesday) Committee of Supply to meet at 8:00 p.m. tonight.