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DEBATES
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PROCEEDINGS

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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 6, 1978

Time: 8:00 p.m.

SUPPLY — LABOUR

MR. CHAIRMAN, Mr. Warren Steen: Committee come to order. When we broke at 5:30, the Member for Transcona was the person speaking. Did I hear that he wanted it passed?

MR. PARASIUK: Actually, I'll pass for now because I notice some other people want to speak on this. I'll come back to it though before it passes.

MR. CHAIRMAN: All right. I have a list of other speakers but at the present time the Minister has some material that she would like to read into the record, I think, for the Member for Kildonan.

The Minister.

MRS. PRICE: I have the composition of the Building Standards Board for the Member for Kildonan. The Chairman is Mr. Claude Wright; J. S. Hicks representing the City of Winnipeg; A. W. Gilliland representing the Association of Professional Engineers; D. Bailey representing the Manitoba Construction Council; J. Fischer representing the MFL; R. Thompson representing the Manitoba Association of Architects; and D. Traub representing the Canadian Mobile Home Association and the Canadian Recreational Vehicle Association.

MR. CHAIRMAN: To the members of the committee, I was wondering if the Minister could supply a listing of all boards and commissions that fall under her jurisdiction to members of the committee. Would this be helpful? Is this possible?

MRS. PRICE: Yes.

MR. CHAIRMAN: All right. I don't think there's any way that a person can write down the names as fast as they were read.

MRS. PRICE: We'll get copies for everybody for tomorrow or whenever we meet again.

MR. CHAIRMAN: As I said earlier the Member for Transcona — and he says he would prefer to waive to someone else. I have Churchill, St. Vital and Lac du Bonnet on my listing. Does the Member for Churchill wish to carry on the debate or should I go to the Member for Lac du Bonnet.

The Member for Lac du Bonnet. I always enjoy hearing from him.

MR. USKIW: Mr. Chairman, I was terribly upset by the comments of the Minister of Labour this afternoon in espousing her theory of job creation or where jobs come from or how they are created. She said something to the effect, Mr. Chairman, that she had to be concerned about the business end of things because they are the ones that create jobs. Well, Mr. Chairman, that is the furthest from the truth. Anyone that knows anything at all about where jobs are created and how they are created would know that jobs are created, Mr. Chairman, by people's needs and desires for goods and services. It has nothing to do with my particular interest in building a factory to produce things that people don't want. There has to be a desire, and a market for a certain product or a certain service. So the creators of jobs, Mr. Chairman, are not businessmen, it is the people who consume their services and their production, and that is you and I and everybody else in society. And in saying that, Mr. Chairman, I think it's fair to say that none of us around this table would want to engage in the purchasing of production or product or in receiving services if we knew that the people who were employed in such industries were underpaid, underfed, underclothed, underhoused. That is really, Mr. Chairman, a sad reflection on the attitude and the theory of our Minister of Labour. To suggest for a moment that we have entrepreneurs in our society who are going to go about producing things that people don't want, just so that they can create jobs for people who need

jobs, well that's ludicrous, Mr. Chairman. I think the Minister of Labour would do well to brush up a little on economics, because if she would, she wouldn't come to that statement.

She also mentioned the fact that people in this province, and in particular the tourist industry, is suffering somewhat from what she considers to be an onerous minimum wage. Mr. Chairman, I would like to ask this Minister of Labour whether she truly believes in a degree of enslavement on the part of the ordinary person who has to have a job in order to function in the home, provide for the family, provide shelter, food, etc. Surely she doesn't mean, surely she can't mean, Mr. Chairman, that there are certain designated sectors in our society that should not expect to enjoy some reasonable standard of living. But that is the implication of her statement, when she said that because she has a greater concern for the business community that she wants to hold the minimum wages down.

Now, Mr. Chairman, we had an annual increase in the minimum wage over many many years, and there was a desire on the part of the previous government to over a period of time close the gap somewhat between that lowest paid group and other groups in society in terms of the wage package. Not only was the minimum wage supposed to keep up with inflation, Mr. Chairman, but there should be built in a degree of catch-up, so that that gap between the lowest income group and the higher income groups would narrow. That is the philosophy, Mr. Chairman, that we had at work during the past several years. And now we find that this Minister wants to widen the gap, and by the way, has already done so. This Minister has already widened the gap in incomes between the lowest paid people and other groups in society, through her negligence, Mr. Chairman, through her negligence, in havin had the responsibility of government now for several months . . .

MR. CHAIRMAN: May I interrupt the Member for Lac du Bonnet. Would the members of committee please let the Member for Lac du Bonnet, who is in an unusual position at the other end of the table addressing the Minister, and it is a long way for him to get his message across, would you please give him the courtesy of at least listening to him, please.

The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I would like to know from the Minister, well, I do know that she is aware of the last report of the Minimum Wage Board. I also know that to date she has not seen fit to act on those recommendations. I would like to know whether she has been fully informed by her department and whether the department has made any recommendations. I raise that question because over the last number of months, as I recall it, the Minister of Labour played down the importance of the Minimum Wage Board. Therefore, I have to assume that her reliance will be on her administrators in the department. I would like to know whether her departmental advisors have given her any advice with respect to a need for change in the minimum wage in Manitoba?

The last increase, I believe, was in September of 1976; there should have been one in 1977, there wasn't. We yet are told at this late stage that we are not sure whether there will be one in 1978.

Now, Mr. Chairman, the government today is negotiating with the Civil Service of this province with the view to giving them an increase in pay. I will venture to say, Mr. Chairman, that some of the increases are going to be fairly substantive. I suspect that there will be increases in the amount of \$2,000 per person in the regular Civil Service, per annum. There will be an increase, Mr. Chairman, of probably \$2,000 with respect to some categories in the Civil Service. There will certainly be many increases of several hundred dollars or a thousand dollars per annum, depending on the category. And this Minister tells us that she is not sure whether there is a need to upgrade and raise the minimum wage after a year and a half since the last increase and, in fact, is bold enough to indicate that there may not be an increase in 1978.

Mr. Chairman, that is not acceptable, not in our time. We have learned to accept a little more fair play in our society in this country than what we are getting through the present policies of this government. Now I appreciate the fact that the Minister did indicate that she is not alone in this decision, that she has to go along with her Cabinet colleagues. If it is her Cabinet that is putting this kind of pressure on her, then they stand condemned, Mr. Chairman, because this is absolute nonsense. In a time of inflation running at 10 percent plus per year, to ignore the needs of the lowest-paid group in society is criminal, Mr. Chairman, absolutely criminal. I suggest that anyone who thinks it is not should place themselves in that position, should accept that kind of a salary, try it out for a year and assume the same responsibilities that many of these people have to assume.

Now, Mr. Chairman, I also know that the Minister of Labour obviously has not done her research because it is not true that businessmen prefer a low wage. Any investor that I have spoken to, if they have the idea that they want to invest in a new factory or a new business they tend to want to look at the economic climate in that particular community that they would wish to put up a restaurant or a hotel or a garage or a service station. They want to know what the consumer potential

is in that community. What is the market in that community for their service? Very few people want to locate in a community which is almost totally dependent on minimum wage incomes, but you show any investor an industrial town with wages running the average industrial composite and you will find they are very interested in locating in those communities.

It is not in the interest of the small businessman, Mr. Chairman, to have low wages in the area where they locate their businesses because low wages must mean that there's barely enough for basic necessities let alone a little bit of extra to spend at the garage or in the theatre or in the other services that are provided in the average community in Manitoba. Low wages do nothing for anybody, they are a burden on society.

So, Mr. Chairman, I would like to know from the Minister what recommendations she received from her administration with respect to this question. If she doesn't feel the Minimum Wage Board is functioning properly or if she doesn't think that she needs a Minimum Wage Board, then let her tell us what the recommendations are of her best advisors, people in her department or elsewhere.

MR. CHAIRMAN: The Honourable Minister of Labour.

MRS. PRICE: The Member for Lac du Bonnet makes reference that I played down the Minimum Wage Board. The Minimum Wage Board did themselves and that was before I came into this portfolio. They did in 1970 and again in 1974 to the former Minister of Labour. They wondered about the value of their board as it was set up and they had a majority report and they said that there was real doubt in the value of the existence of their board, and as I will reiterate in 1970 and again in 1974.

MR. USKIW: Mr. Chairman, I appreciate that the Minimum Wage Board has made certain recommendations with respect to how wages, minimum wages should be adjusted and that perhaps it wasn't necessary to rely on an agency such as theirs, but another mechanism was being suggested. They did not suggest that minimum wages should not be reviewed and updated from time to time. That I am positive they did not suggest, Mr. Chairman. I would again ask the Minister what recommendations she has received from her department with respect to when and by how much minimum wages should be adjusted. How frequently? What is the government's philosophy with respect to keeping pace with the economy? Is it the philosophy of the government to allow the lowest income group to fall behind further from the rest of society in terms of their incomes and their standard of living, or is it the policy of the government to continue with the policy of the past government, and that is to attempt to close that gap as much as possible as between the bottom income group and that of the others. And that's a very important thing for us to know, Mr. Chairman. —(Interjection)—

MR. CHAIRMAN: I was going to go on to the next speaker. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, is the Minister saying that there is no policy then?

MRS. PRICE: I would like to say that I am not receiving recommendations from my department. The recommendations and the discussions that take place are with my colleagues.

The Member for Lac du Bonnet made reference to my saying that we are more concerned with the business sector and that it is not they who create jobs and it is not important that they create jobs. If they don't create the jobs, who is going to? The government? The only money the government has is from the tax money that they take from the taxpayer so we can't have just government jobs. We have to have the private sector creating jobs to create fresh money.

MR. USKIW: Well, for the benefit of the Minister, Mr. Chairman, who did not obviously hear what I had to say, I will repeat it. I had indicated that in economic law it is not the businessman that creates the jobs; it is the demand for services and goods that creates jobs. That comes first. The entrepreneur comes second, to fill that demand.

So, Mr. Chairman, it is not accurate to say that there are businessmen just waiting to build things, to do things for people who don't wish to have them done, or to buy their product. No businessman is investing in industry or in any enterprise producing a commodity that is not needed or wanted in the marketplace. There is a market assessment; there is a demand factor in place, after which people invest money to supply those services or to meet those demands. But the demands are the consumption. The consumers of this province, of this country create the demands in the marketplace that create jobs, not any person who has money to invest. That's a secondary function. —(Interjection)— You're nuts. You try and sell something that nobody will buy; you will find out.

MR. CHAIRMAN: The Member for Selkirk. The Member for Selkirk was on my list prior to the dinner hour. The Member for Gladstone.

MR. JAMES R. FERGUSON: Thank you, Mr. Chairman. It's always interesting to . . .

MR. CHAIRMAN: Just before the Member for Gladstone starts, I would ask the members at the far end if they could please listen to him. At least he was quiet and he listened to the Member for Lac du Bonnet.

MR. FERGUSON: Thank you, Mr. Chairman. It is always very interesting to listen to the former Minister of Agriculture carry on with his socialist theories, and we spent a considerable amount of time this afternoon listening to the discussion on the minimum wage. We all appreciate the fact that people do have to be paid. We also realize that we are sitting in a position where we're not probably at the top of the minimum wage or the lowest, but in an in-between position.

I think anyone that has driven out from the City of Winnipeg probably to Brandon will find that there might be one gasoline station open, or maybe none. This probably is due to the fact that those people who are involved in the business of servicing gas, as an example, aren't able to stay open because of the fact that wages have got too high and the fact that there is always a hold-up thing hanging over their head, etc., that it makes it a little bit difficult to carry on.

I think that there is something else that we should be looking at. We have listened to the facts of the minimum wage and really who is involved here. People that are capable and in good health, if they aren't earning over the minimum wage very shortly there has got to be something wrong with their system. I don't think it is anything wrong, particularly, with the thing except the fact that under our socialist system of the last eight years it seems to be that everything that was going to be done the government was going to give a handout. We are involved in two different philosophies here. Ours is the fact that we are trying to encourage people to go out and shift for themselves. On the other side of the ledger is the socialist system whereby the short-term ad hoc job deal that you employed everyone and you got everybody on the dole and you tried to encourage them to rely on this as life went on. And this is something that we can't get along with.

As we went into the session this spring there were many approaches made by the building trade; it was the highest unemployed. We just finished going through seven months of winter. As of about the first of May what happens? Who is on strike? All of the building trades. The brewery workers are out today. The retail stores are out today. The packinghouse people are threatening to go out. Now, what kind of a system are we operating in? —(Interjection)— Yes, we are operating on the free enterprise system, all right, and I can assure you, honourable trade union people across the way, if the present trend keeps up that you will find that the people are going to be going out, striking for the right to work. They are not going to be striking for the right to sit on their backside. The general working populace . . . And I made a point of going to several of the chain stores and said, "Are you going to be around next week to supply groceries?" Everyone of those of check-out girls said, "Yes, we don't want to go on strike."

As for the meeting at the Convention Hall there were 1,200 as I understand, voted out of a group of about 2,500 to 2,700 that were involved.

But what I am basically getting at is the fact that people in this province still want to work but they are being encouraged by your people not to work. And they have been doing this for the last eight years. Let's not hide our heads in the sand, because you fellows know it. You are trying to get political gain out of it and I will tell you, gentlemen, you are not going to get it because there is just absolutely no way that it is going to happen.

The Minister of Agriculture went through a little exercise . . .

MR. CHAIRMAN: Ex-Minister.

MR. FERGUSON: The former Minister of Agriculture went through an exercise where he propped up the beef industry to the tune of \$38 million. A couple of my honourable friends across the way just said, "Well, you know, you don't look like you're starving."

By the same token, in those five years previous to this year, there were many bankruptcies occurred in the beef industry. It's a very flexible industry. I can truthfully say that I never accepted any of those glorious plums that the Minister threw out, and thank God I didn't. I have no inclination to ever. Now we are getting into a position whereby there is going to be a pay-back and I can tell the Honourable Member for St. Vital that the free enterprise system will be thriving long after he is dead and gone and long after I am dead and gone. And I will tell you in ten years from now it will be in a far healthier state than it is today. If he wants to have a real good look at how things are going, he can take a look at his native country that he came from — I imagine

from Britain — whereby the trade unions have brought the country to their knees. This country is still in a position to go ahead, and we certainly will. And it will not be under a socialist government. The only times that we have gone back is when we had a socialist government in the Province of Manitoba and in the Federal Government in Ottawa by the name of Trudeau.

I think that that basically covers what I started out to say. We can talk unemployment in the Province of Manitoba. There are 5,000 jobs, at least, waiting in the rural part of this province. —(Interjection)— Where? For anybody that wants to work, that's where. So I don't think that we have to talk unemployment.

As far as the minimum wage goes, I think we are wasting a whole bunch of the committee's time. Whether the minimum wage is \$2.90 or whether it is \$3.10, what difference does it make? The thing that makes a difference is the fact that the jobs are still there. Anybody that wants to go out and get those jobs can get them and I will bet you tonight that I can go out in this City of Winnipeg and find 20 jobs between now and twelve o'clock. So don't tell me there is unemployment in this city and don't tell me there aren't jobs available. Don't tell me that the minimum wage is going to make one damn bit of difference. Thank you.

MR. CHAIRMAN: The Member for Rock Lake.

MR. HENRY J. EINARSON: Well, Mr. Chairman, following the comments from my colleague from Gladstone, he has intimated some of the feelings that I have had listening to the members opposite. You know, Mr. Chairman, having listened this afternoon to honourable gentlemen opposite convinces me that there isn't one of them on that side of this committee that have any understanding of what business in this province is all about, including the ex-Minister of Agriculture. I don't think that in his experience in farming that he knew one end of a potato from the other. I can recall, Mr. Chairman, when we talk about minimum wage versus wages, whether they are \$3.00 or \$4.00 an hour, when he went out into the Portage area and rallied on behalf of some of the people of this community, on their behalf, saying, "Look it, you fellows," — and I'm not quoting him but I'm using comments that I think are relative to what he was trying to promote and telling those working people — "Your time was not only worth maybe \$3.00, \$4.00 or \$5.00 an hour," but he was working on their behalf. The point that he was trying to make, because he was disturbed that there were people coming from Mexico to assist the farmers in the big gardening business because there were people in this province who didn't want to work.

You know, Mr. Chairman, my colleague the Minister of Labour has got a real problem on her hands and honourable gentlemen don't understand one fundamental aspect of what happens in the Province of Manitoba, and I want to tell honourable gentlemen that we in Manitoba have a population of approximately one million people. You know, Mr. Chairman, I want to tell those gentlemen that we produce a lot more than what the one million people of Manitoba can consume. Mr. Chairman, these people have forgotten one thing that is very important, that we rely on exports to other parts of this world, and we have to rely on that.

The Member for Transcona was talking about the seamstresses and certain trades in this province and the horrible situation that they were confronted with because they had to compete with Koreans, they had to compete with Chinese, they had to compete with the country of Japan and they had to compete with the country of West Germany. We are an exporting province, Mr. Chairman. We are an exporting country in Canada and, you know, whether we like it or not, Mr. Chairman, our Minister of Labour is faced with one problem and that is, we have got to compete with the countries of the world. I want to tell honourable gentlemen opposite that as a farmer of this Province of Manitoba, I didn't take part in the plum program that the ex-Minister of Agriculture brought in in 1975. I respect it for what it was worth. The farmers in the beef business were in dire straits, but, Mr. Chairman, I competed with the Australian farmer who was bringing beef into this province and I had to compete with it. When honourable gentlemen opposite are crying the blues on behalf of some of the other segments in trades that are going on in this province, we in the agricultural business, didn't cry. We had to compete with it. And I want to tell honourable gentlemen, I prefer to do it up to this day and I'm only now just getting back from the marketplace the few bucks that I had lost from 1973 to 1976 and into 1977.

When you talk about the minimum wage, Mr. Chairman, it is a minute situation. I realize, when the Member for Selkirk brought up the one example about a man and his wife and he had five children, and he talked about the unfortunate situation that he was involved in, having to get up at 6:30 in the morning and the sacrifices that he had to make, I could appreciate the comments that he was making, I could appreciate them full well. I, for one, would not like to see anyone be on a minimum wage but I think, to some degree, in some cases, that some of these people are on a minimum wage probably it's because of their own doings.

We have certain businesses in this province who are providing opportunities for young people who don't have a family, but they may be young people who are still living at home with their parents.

They are pumping gas at filling stations, as my colleague from Gladstone just mentioned, and they are on the minimum wage, whether it is \$2.95 or \$3.00 an hour. If we were to increase that minimum wage to the point where that man who operated that filling station said, "I'm sorry, I can't afford to pay you that kind of money, you will then have to go on welfare." \$

Mr. Chairman, I wonder how many of those 30,000 people who are on the minimum wage are actually parents or a member of a household who has a family to support? I would suggest, Mr. Chairman, if there are that many, possibly then we have to look at this thing and take a view in such a way that a man with a family of five such as the Member for Selkirk mentioned, that possibly, unfortunately, maybe because of no fault of his own, he is only getting the minimum wage, that perhaps maybe the State should give some assistance as a supplement to offset his wages plus what it costs him to live, and live a normal life. But there are many of the 30,000 that my colleague, the Minister of Labour, has mentioned, who are young people in that category who are maybe on the minimum wage. You know, Mr. Chairman, I would much rather see a person getting the minimum wage and working, than to increase the minimum wage to the point where they are going to be unemployed and we have to put them on welfare.

Mr. Chairman, this is a very valid point I make, and I can tell you in my experiences over the years in politics, in thinking back and talking to the councillors, and I represent — there are five municipalities in the constituency which I represent — in every council there is a chairman of welfare. I can think back, when the Member for Selkirk brings to mind one example, I could mention half a dozen examples of young able-bodied men who were able to work, who were offered a job on the municipal level and you know, Mr. Chairman, they were prepared to work for a week or two weeks and they said, because of the kind of influence that the Socialists were bringing into this province in the past eight years, "I'm not interested in working; it is easier to go on welfare." Mr. Chairman, that is a fundamental fact and I'm prepared to back it up any time the honourable gentlemen opposite want to take me on.

Mr. Chairman, I think that this attitude and the comments that the honourable members have made in regard to the minimum wage, I can fully appreciate where a family man is on the minimum wage, I can appreciate that probably — and I say I for one, as a member of government — have a responsibility to look into the individual cases and see, because if a head of a family is not able to get any more than the minimum wage and he needs some assistance, I think the State should be there to help him. But, you know, Mr. Chairman, there are many in this province who are young people who are living at home, who are still getting support from their parents, on the minimum wage. I don't think there is anything wrong with that until such time as they graduate themselves to the point where they are able to get out into the world and become employed where they are able to make \$4.00, \$5.00 or \$6.00, or whatever have you, to make a reasonable living.

Mr. Chairman, I think that the honourable gentlemen opposite this afternoon were creating a storm that is nothing more than a myth insofar as the minimum wage is concerned. I, for one, Mr. Chairman, want to tell honourable gentlemen that for eight years when they were responsible for the government of this province, they destroyed the work ethic and they destroyed the pride in the individual people who wanted to work in this province. My colleague from Gladstone couldn't have said it better; I think that we have to create a situation in the Province of Manitoba where people have faith in the community in which they live, faith in the Province of Manitoba; they're prepared to start working and earning a dollar and getting a dollars worth of goods. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Mr. Chairman, I wasn't intending to get into this debate on economics until the Member for Gladstone brought me into it by making his uninformed and rather ignorant comparison of the Canadian economy with that of Britian. He should know right away, Mr. Chairman, that the unemployment rate in Canada is higher than that in Britian and also that the inflation rate in Canada is higher than that in Britian. When he says that Britian has been brought to its knees by the trade union movement, I believe those were his words, the trade union movement, he should be carefully to compare apples with apples and remember that Canada is self-sufficient in oil and petroleum. Until about a year or so ago, Britian had to import all of its oil and many of its other very basic fuels too, and any country that is importing all of its crude oil is naturally going to be pretty hard hit by the price of oil going up by four times. He should also remeer that Britian imports 50 percent of its food, it's not in that fortunate position of Canada of being able to export a great deal of food. It imports a great deal of other raw materials too that Canada is in position to export. He should also bear in mind that about 30 years ago Britian went through a pretty tough war. As I recall there was not a single bomb that was dropped on Canada; not one of its industries was destroyed by bombing; as far as I know, no housing was destroyed by enemy bombing in World War II. —(Interjection)— Well, the member wishes to know what the strike rate has been He can

look up the facts and he will probably find that the strike rate in Canada has resulted in more many more days lost in Canada than there were in Britian

MR. CHAIRMAN: I might bring it to the attention of all members that usually the rest of the members around the table do pay courtesy to the member that is recognized by the Chairman. The Member for St. Vital is one that always pays attention and listens to other people, never interrupts, so I would at least ask members to pay attention to him.

MR. WALDING: Flattery will get you anywhere, Mr. Chairman. I just will sum up and say that when the Member for Gladstone wishes to criticize and make comparisons, then he should make comparisons from the facts and not from his imagination.

MR. CHAIRMAN: The Member for Selkirk is next on my list.

MR. PAWLEY: Mr. Chairman, all that I wanted to say, I believe it was the Member for Gladstone that indicated that he represented two different philosophies. Listening for the last 25 minutes, I'm proud to say that we do represent two different philosophies and I must tell the Member for Gladstone that listening to the philosophy of government as he outlined it, I can see very well why that philosophy that he represents and that type of government that he represents is one that probably won't last too long. The type of speech that we've heard from the Member for Gladstone is one that was disguised pretty well during the provincial election campaign. There was quite a masquerade last October as to the true thoughts, and certainly as far as the Member for Gladstone was concerned that type of speech . . . I would like to mention to the Member for Gladstone — and I trust that the Minister of Labour is not too much influenced by members like the one for Gladstone — that workers in this province still have the right to strike and they will fight to retain that right to strike. And I would like to suggest to the Member for Gladstone that workers have the right to bargain collectively, and when they decide to vote to strike, that is a democratic process that workers undertake, and all his sound and fury about workers ought to have the right to work . . . —(Interjection)— . . . then I would like to emphasize to the Member for Gladstone that what he is really doing through the back door is suggesting to the Minister of Labour that there ought to be some basic tampering with the collective bargaining system in this province for which workers have fought over the decades to achieve in the Province of Manitoba.

It seems that what the Member for Gladstone as well as suggesting, was that the Safeway strike did not represent the majority view of the Safeway workers and therefore they had no business there being a strike in existence in the province at the present time. In other words, the vote has to be a vote which he agrees with. He doesn't recognize the fact that this is a democratic vote, it was a vote by secret ballot of the workers at Safeway and I trust that the Minister of Labour will disassociate herself from the anti-labour tirade that we have heard this evening from the Member for Gladstone.

Insofar as his further statement about — and of course that was well reflected in the member's statement about the trade union movement bringing Britian to its knees and all that type of nonsense — I think the Member for St. Vital dealt with that.

When he talks about lots of jobs being available, I think we have to remind the Member for Gladstone that under a Conservative government 1978, the fact that has been repeated and repeated, we now have the worst level of unemployment in the Province of Manitoba since the 1930s. During each year of that so-called socialist government that he despises, Manitoba ranked first, second, or third in levels of unemployment in Canada . . . —(Interjection)— . . . the lowest in Canada and certainly not the lowest since 1930s. I would like to also suggest to the Member for Rock Lake, that the economic system and policies that he espouses, that he holds so dear to his heart, is bound to generate the type of conditions that put people on welfare. And I have always said, Mr. Chairman, I repeat it tonight that it's the economic and social structure that sees fit to not concern itself about the very issues that we're dealing with tonight, improving the lot of those of lower income, but rather to provide the atmosphere within society by which they shrug their shoulders and say, "I might as well be on welfare, I might as well be on welfare."

And he says, "Why should anybody be working on minimum wage?" — or words to that effect . And their Member for Emerson from his seat keeps saying, "How many cases?" There are a lot of men and women in this province that through no fault of their own, work for minimum wage. They have risen out of the areas of poverty, their education levels are quite limited, and for members to suggest — and I suppose it's all right for each and every one of us around this room to not recognize poverty in our society because we're all earning twice the average industrial wage in the Province of Manitoba, and more, but let me say there's a hell of a lot of people out there, through no fault of their own, are suffering, and I would urge members to recognize that and at least demonstrate some positive attitude in order to try to deal with some of the basic problems that

are confronting us in society.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I'll defer to the Member for Inkster.

MR. CHAIRMAN: The Member for Inkster. —(Interjection)— Well, he chose to defer.

MR. GREEN: I do want to change the subject somewhat from the subject of the minimum wage, to chose a . . .

MR. CHAIRMAN: I might point out to the Member for inkster that we are still on the opening item, which is (b)(1) Administration of the Department of Labour. So we have been all over the Department and back.

MR. GREEN: I understand, Mr. Chairman. I gather that the subjects have been sufficiently free-wheeling that what I have to say will be no less outside of the realm of the subject than what other members have said.

MR. CHAIRMAN: If you mention the word "labour" every five minutes, you will be within the text.

MR. GREEN: Mr. Chairman, I think there were remarks made from across the table that deserve some consideration, such as the suggestion that people are wanting to strike and that eight years of socialist experiment is the one that caused strikes and has caused a deterioration in the work ethic.

I would like to deal with that subject, Mr. Chairman, because we are now engaged in what we have had promised to be a great capitalist experiment in the Province of Manitoba and it seems to me, Mr. Chairman, that if we would look at the last three months we will not find any similar period with respect to labour disputes and people out of work by virtue of strikes in the last eight years as we have seen in the last three months. So it seems to me that if we look at the facts it's not under socialism that these strikes took place. Although, Mr. Chairman, I, unlike what appears to be the view of some other members here, respect the right of an employer who doesn't wish to increase wages and therefore will not yield to union demands, and I respect the right of the employees to say that they won't work unless these demands are met. Mr. Chairman, I even respect the right of a farmer to say that I won't grow a crop unless I think that the price is going to be right. And I respect the right of a farmer to say that I won't sell my product — I would rather store my product — until the price goes u..

Mr. Chairman, with regard to milk, he is in the same position as a worker. It is a perishable. If it is not sold today, you cannot sell it. And with regard to a worker, if he can't sell his labour today it is wasted and he can't get paid for it. So it's exactly the same, Mr. Chairman. — (Interjection)— What is his overhead? His overhead is a place to sleep, a place to eat, clothes to wear and bringing up his children. Mr. Chairman, with respect to his overhead, his overhead is 100 percent of what he earns. Because a worker who doesn't get paid this week, can't live next week.

Mr. Chairman, that's the way it is. But nevertheless, what are we talking about? We are talking about the right of a person to refrain from selling his product unless he gets what he wants for it. Is there a person in the room who doesn't agree with that right of a person to say he will not sell his product unless he gets a price for it? Because I happen to think that Conservatives don't believe in that despite their protestations. My experience with them is that they do not believe in it.

Mr. Chairman, I believe in it and have stood in this House, both in opposition and in government, and acted accordingly. I have never — as have Conservatives — voted for laws which required people to work. I have never — as Conservatives have — voted for laws which prevented people from appealing for public support. Conservatives have done that and, Mr. Chairman, I stand here as one who stood up on my feet even when the New Democratic Party appeared to be on the verge of passing such laws and said that I would not vote for such laws.

So I don't need your endorsement. —(Interjection)— I did not resign but I said that I would not vote for the law. —(Interjection)— It had nothing to do with a labour dispute. It had nothing to do with a labour dispute.

Mr. Chairman, I do not want to be distracted from the subject of the discussion. We have talked about socialism and labour disputes as if during a New Democratic Party, or if you will have it, socialist government . . . And would be that it were, because it wasn't. But would be that it were,

that there will be strikes and under a capitalist government there will be no strikes.

Mr. Chairman, we are living under the golden age of capitalism in the Province of Manitoba. We have all the brewery workers out. Only because of a capitalist trick played by one group of stores against the other, we have only one supermarket out, and that was a trick because they were supposed to all be out. They were supposed to all be out. —(Interjection)— No, Mr. Chairman. —(Interjection)— Mr. Chairman, Safeway does not blame the labour unions for Dominion and Loblaw not being out.

MR. CHAIRMAN: I would ask the Member for Inkster is he having any problem from other members; are they interrupting him or anything?

MR. GREEN: Well, I kind of like it.

MR. CHAIRMAN: They are helping you build your speech.

MR. GREEN: I kind of like it that way.

MR. CHAIRMAN: All right. Carry on, please. I just wondered if they were disturbing you.

MR. GREEN: We have, Mr. Chairman, only by the virtue of a capitalist trick played by one capitalist against another, that we don't have all the supermarkets out. We have the crafts out. Last week we almost had the nurses out. And they are talking about some other group, and I can't remember just offhand. —(Interjection)— The packinghouse workers may have them all out next week. You know, I am not sure of that but, Mr. Chairman, this is capitalism. This is not under Russ Pauley; this is under Norma Price, a forthright Minister of Labour in a Conservative administration.

Mr. Chairman, don't misunderstand me. I will be the last one to suggest that the government should stop these strikes. I'm not suggesting it, and I didn't need the gratuitous and rather ignorant comments of the Minister of Northern Affairs that the strike is between the parties themselves. But I want to ask the Minister, at this stage, does she believe that the public has no role with respect to labour disputes? Because if she believes that, she is going much further than anybody ever suggested.

It has always been assumed, Mr. Chairman, that the Department of Labour will have a role to play. That role will consist of facilitating conciliation between the parties and trying to see to it whether there was an effort being made by either side to come to a collective agreement on using the conciliation services. And I have never had any objection to that, provided that it was clearly understood that there would be no rights taken away from either of the parties.

Mr. Chairman, it has also been the role, where it is deemed necessary to do so, for the public to at least be made aware of what the dispute is.

The honourable members opposite would have you believe that a strike occurs because labour unions are demanding something which the employer refuses to give and has a right not to give.

Well, the Member for Gladstone says, "That's right." Mr. Chairman, the Member for Gladstone says, "That's right," and therefore I am absolutely right that he has to be informed, at least, by the Minister of Labour, that in the case of the strike with respect to the construction workers that some of the most serious issues have got nothing to do with the employee demands. Should not the Member for Gladstone know that there are building exchange demands that are the root of that strike, or at least major issues in that strike? The Member for Gladstone shakes his head. I would like the Minister of Labour to correct me if I say that one of the main issues in that strike is the existing clause in the contract which has existed for years, that the employer will make use of the union hiring call and that the employer is demanding that that be changed. The union has no demand with respect to that —(Interjection)— . . . Mr. Chairman, the Member for Gladstone has done me the biggest favour that anybody can do, because he insists that it's a union demand that is withholding settlement of this strike. He keeps saying that's right but, Mr. Chairman, will the Minister of Labour now believe me that a member of the Legislature, a member of her caucus, is not aware that two of the major issues, the elimination of the union hiring call which, in connection with a construction worker, means the end of union security of any meaningful kind with relation to a strike because these people don't work for one employer . . .

MR. FERGUSON: You mean, they carry the drones, do you?

MR. GREEN: Mr. Chairman, let's have these remarks on the record. The Member for Gladstone is now saying that the construction workers are striking to force an employer to carry the drones, that's what he is saying. The clause in the collective agreement, which has not resulted in drones.

Mr. Chairman, but which has resulted in all of the buildings that have been built in Winnipeg and all of the buildings that are built in other parts of the Province of Manitoba, existed with a clause that didn't carry drones. What did it say, Mr. Chairman? That when the employer needs an employee, he will contact the Union Hall and they will send somebody. And the reason they do that, Mr. Chairman, is that because if I were a carpenter and I worked for one person, and I might work for that person for three weeks and then put my name back on the list, if the employer did not give that kind of security to the unions so that they could have their workers getting a fair share of the work, the employer could choose people who joined the union last week, who were scabs up until then, choose only those people to work and the union would not have any security whatsoever.

MR. FERGUSON: What's a scab?

MR. GREEN: The honourable member doesn't know what a scab is. A scab is a guy, Mr. Chairman, who will take your job for starvation wages when you are trying to get an increase. That's a scab; now you know what it is. —(Interjection)— Yes, you've got it on the record, that's what it is, Mr. Chairman.

MR. FERGUSON: What if he isn't worth it?

MR. GREEN: A scab is the person that the farmers of the Province of Manitoba set up picket lines against when they wanted to stop beef from coming into this country, or was it vice versa; vice versa, Mr. Chairman, however it was. A scab, Mr. Chairman, is a person that the cattle producers want to get information from, or put him in jail if he doesn't give them the information because he threatens the existence of the cattle producer. That is what a scab is, only the unions don't have such an accommodating government to deal with their scabs as the farmers have to deal with theirs. A scab is a person. Mr. Chairman, that the Wheat Board was set up for, so that the farmers would not be under-cut in the price of grain. A scab is a person that the marketing boards are set up for, so that one producer will not scab on the rest. A scab is a person that the cattle producers' legislation is set up for so that the cattle producers who don't want to get under-cut will be able to go to other producers and find out what they are doing with their cattle and how they are selling it. That's what a scab is. But the Conservative Government, they are very very dictatorial when it comes to farmer scabs, they pass legislation. All that a union man can do is stand there with a sign and plead with the scab, "Don't take my job from me," and if he stands in his way, a policeman will come and push him out of the way, and our group had to accept that and recognize it. That's what a scab is.

The Minister of Labour should inform the Member for Gladstone that the union demands are one thing, but that in this case the exchange demands are the more serious issues. The Building Exchange are trying to demand things from its employees, not vice versa. They have demanded that and they have demanded, Mr. Chairman, that overtime be compulsory because up until last year they had legislation which they thought made it compulsory, and when we made it equal, we said that the parties will have to agree, they have decided, and that is their right to try to bargain for, they are going to put into the agreement, compulsory overtime. They are changing the agreement, they are making the demands.

Madam Chairman, don't misunderstand me, I'm not saying that they haven't got the rights to make these demands . . . —(Interjection)— Madam Minister, I am not saying that they do not have the right to make these demands. They have a right to demand the moon, the same as the employee has the right to demand what he wants and is sometimes referred to as a drone, or being irresponsible, or trying to drag the country to its knees. They have a right to make these demands. But the public should be made aware through being made acquainted with the issue, and that was the whole purpose of a conciliation board. The purpose of a conciliation board was to get the facts, get the parties to try and put them together, and if they didn't get together, the conciliation board made a report which was published for the people and then public pressure could be exercised on either side to try to do something about it.

I'm not necessarily suggesting a board at this time. What I'm suggesting, Mr. Chairman, is that it would be clearly understood so that people like the Member for Gladstone could understand it; that in this case, the Builders Exchange is making serious demands which go to the integrity of union security in those trades and which also demand something that they never had before, and that is compulsory overtime. It's not the unions that are causing this strike. The fact is that the hard position is that position, and I want to know, Mr. Chairman, whether the Minister of Labour is going to use those avenues that are available to her. And I don't include in that sending people back to work, or requiring employers to hire people, or compulsory arbitration, but merely the availability to the public of the accurate information as to what is happening. Because Mr. Chairman,

I am suggesting to you that these strikes are not an accident, these strikes are a direct result of the climate in this country brought about firstly by the Federal Government with the wage and price controls, but contributed too heavily by the Lyon government with regard to its policy of restraint

Mr. Chairman, it is not socialism that creates the dole, it is not socialism that creates welfare, it is capitalism, that has in its very philosophy — and you can read it in your capitalistic books . . . —(Interjection)— . . . yes, Mr. Chairman, read it in Adam Smith, read it according to any other capitalist economy, that in order for capitalism to work you have to have a great pool of unemployment; that if you have a great pool of unemployment, you will keep wages down; that if you keep wages down, business will be able to flourish. And how does welfare come into it, Mr. Chairman, when the capitalists say — you know, because we are using the term socialist, let's use the right opposite — when the capitalists say that you need a great pool of unemployment in order to have workers competing for jobs, that this will bring wages down but there will be a lot of people starving — and then they say, Mr. Chairman, because they are humanitarians and don't want to let people starve, they will put them on welfare. But that's not the real reason, Mr. Chairman, they put people on welfare. It's not because they are humanitarian and don't want to see them starve; the real reason they put people on welfare is they don't want to be stolen from, because if people are starving they will steal, and if they steal it is a threat to private property, and that's where welfare comes from.

Mr. Chairman, the greatest amount of people living on welfare did not live and do not live in socialist states, they live in capitalist states. In 1790 when there was almost no socialism, over 10 pure capitalism, over 10 percent of the population of Great Britain was living directly off the dole, directly off the dole, Mr. Chairman. In the 1930s, in the hey-day of pure capitalism after Hoover, you had many many people, productive people, so it is capitalism that destroys the work ethic. It is capitalism that is creating these strikes, Mr. Chairman, because what is occurring is the fact that we have so much unemployment, it is putting the employer into a very strong bargaining position, and what he thinks is, that he is now in a good position to break union militancy because people are fighting for jobs and there is high unemployment and he has one more ace in the hole, Mr. Chairman. Madam Minister, you made the statement — and you can correct me if you want to correct me immediately — you made the statement not more than three weeks ago or thereabouts, that you would not permit a strike to continue which is contrary to the public interest.

MRS. PRICE: If it affected the economy, the health or the safety drastically . . .

MR. GREEN: No, Madam Chairman, as a matter of fact, I would use your words . . .

MR. CHAIRMAN: I've got to correct you for the record It's not Madam Chairman; it may be Madam Minister but not Madam Chairman — is that corrected, to he Member for Inkster?

MR. GREEN: Madam Minister?

MR. CHAIRMAN: It's Madam Minister and Mr. Chairman, it's not Madam Chairman.

MR. GREEN: Madam Minister, you made the statement, and I'm glad that I have it exactly as you mae it, that you will not permit a strike to continue if it affects the economy or the health or the safety of the province. Do you want to correct that one too?

MRS. PRICE: I said to the health, the safety or the economy if it affected it drastically enough . . .

MR. GREEN: Madam Minister, I accept that completely, I don't see that that is any different than what I said earlier. As a matter of fact I think some of your own members were a little worried that you were going to contradict me, because each one of them will not let a strike continue if it affects the economy drastically. now waiting for is the day that they want to walk into your office — if they can't beat their employees, which is their first choice; they've got an ace in the hole; they're going to walk into your office and say, "Mada Minister, the economy is being drastically affected." And then I want to see the sanctimonious Minister of Northern Affairs who stood up and said today that the workers and the employers do not want any government involvement in any government interference; I want to see him vote "no" when you bring in legislation which you are surely going to do.\$

Madam Chairman, I am proud to have been living for eight years under freedom in this province. This province is the only province in Canada, of whatever stripe, that did not pass back-to-work legislation, and we survived it and we thrived. I can't swear for Prince Edward Island, but Madam

Chairman, Saskatchewan passed it, British Columbia passed it, Ontario passed it, Quebec passed it . . . —(Interjection)— Madam Chairman, the Member for Gladstone . . . —(Interjection)— Madam Minister why don't you take the chair? It will make it much easier. Madam Minister, the Member for Gladstone, whenever he disagrees with the position that I am putting, tries to remind me that that position was rejected by the population on October 11th. I suggest to you that that's all very well to get my goat, but the fact is that you cannot take every issue and attribute to it the results of the election. It was not a feature in the election. I did not hear the Conservative Party going to the election and saying, "When we come to power, we are going to pass anti-strike legislation." I didn't see it on any of your pieces of literature.

Furthermore, in the Province of Manitoba, we managed to live in freedom for eight years and it did not result in chaos, which was predicted. I say now that within the next four years — I can tell by what's happening now in the industrial situation, because the employers are feeling their oats, they know that this government is eventually going to come to their assistance as it surely will, and they are being very very tough, particularly the Exchange — within the next four years the members of the Conservative Party are going to be voting for restrictive labour legislation and, Madam Minister, Mr. Chairman, the Minister of Northern Affairs is going to get up and vote aye to that legislation. He is going to vote aye to that legislation.

I want to indicate in these remarks that if one looks at the facts, that under this great capitalist experiment that we are working under, we have had a worse industrial situation in the Province of Manitoba this year than we have had in anything over the past eight years. Furthermore, if you want to blame it on the AIB, it is worse in Manitoba than it is in every other province.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: I was going to deal with the minimum wage, which I will get around to eventually, but I couldn't help but respond to some of the things which were extremely informative, by the Member for Inkster. I think he probably got carried away with a slight exaggeration when he said that a man who doesn't work can't eat next week. It is really sort of an untrue concept in the western industrialized world because we do have a need concept and we do have — the municipalities have — a welfare program, and of course the unions have great vast sums of money, a strike fund, which can see that this man does not go hungry.

I think that strikers should use the conciliation services of the Department of Labour, and that should be made public as to how those results come out. I don't think that capitalism versus socialism — I don't think that we can blame politics as the cause of all these strikes because I kind of get a feeling in talking to people that it is sort of a lack of co-operation. It is sort of an instigation in many cases by a lot of these high-salaried, fat-cat union leaders who seem to have to justify their existence. And then there are some of those corporate heads who are equally guilty, who find that a strike may be good for business.

So both sides are to blame and I really think that when you have these vested interests, you need to sort of probe into the matter and I think it is the poor workers who have the bad luck. They have tough economic times ahead because they are being, in many cases, misled, and certainly the facts aren't being known to the public at large.

In dealing with the minimum wage, which is what I wanted to speak about, I felt that if we could get support in some of the ideas that some of the people on this side have, in their travels — especially myself who is interested in the tourism and service industry — that if we could get the support from the socialists to get the economy moving, you would have my support to equal British Columbia and Saskatchewan for the minimum wage. In many cases, this is sort of a myth because most people, in certain industries, don't require the minimum wage, but people in the service industry could not stand additional hikes in the minimum wage with the attitude that is prevalent in the western Prairie Provinces anyway. It would seem to me that if we could get the support to look at a tip credit system — many people south of the line pay to get their jobs. —(Interjection)— The tip credit system basically says that a person should get \$3.00 an hour minimum wage; the employer pays \$1.50; all the tips for the evening in the service industry are pooled and that person is guaranteed \$3.00 an hour. But when you force the marketplace, to say you must pay \$3.00 an hour in addition to tips, that means to say that the service to the customers drops because the employer can't handle four or five people and in many cases you have serious problems with the service industry. I think if the socialist members opposite would support a tip credit concept on the fantastic success it has throughout many many areas of North America, that it is really going to be a boon for additional jobs — I call them secondary jobs — they would be for housewives, they would be for sons and daughters, university students. They wouldn't necessarily be for the heads of family even though it would be suggested that a chef or *amaitre d'* or a cook may be the type of person who may be the head of a family.

So I think what is going to happen, you are going to see — if this continues, this attitude —

as the Member for Gladstone says, there is going to be a move caused by who, for people almost getting out there and yelling for the right to work. This is going to be a real problem.

It really burns me up when I see this guy get on TV and radio and he says that he wants the strike to continue because he wants sick pay for a weekend busboy, he calls him a part-time laborer. He wants sick pay. We all know that students working on weekends and that really don't require that type of assistance, to keep other people who need the jobs full-time, to keep them out on strike.

So I think that we need more support from some of these fat-cat union leaders. I remember at City Council we had a sheltered employment program. We did have an unemployment problem and the municipal government and I'm sure the provincial government said, we'll create what they called a sheltered employment program to get some of the employable unemployed, to get them to do something rather than collect welfare. In other words, a man who was getting \$300 a month on welfare, we were willing to pay him \$400 to clean the rinks at community clubs; to make barbecues on the floodway; to do those types of things. But, no, the union said we must pay them \$6.70 an hour, which was a CUPE wage in the City of Winnipeg. So the result is that the sheltered employment program never got beyond 50 people. That was a real tragic thing because we could have got many useful employable people during that slack period and we could have put them to work.

I think another tragedy is, you look at the summer camps we used to have for convicts and, again, there seems to me to be some interference somewhere along the line with some problems with certain union leaders who said the convicts, the people doing that type of work must get this huge CUPE wage that is a minimum wage from the labour agreement that affects the CUPE members. The result is that you visit the jails; the convicts sit there idly by and the state of the Whiteshell Park is a mess. The portages that go over to the different lakes for fishing and that all have dead wood and logs and even the lakes have all sorts of fallen trees in them that used to be cleared by the convicts. You even go out to the jail and Headingley Jail right now needs painting and everything else but apparently the Department of Public Works is contracted to do all those repairs. I say it is time that we looked at the possibility — all the citizens of Manitoba, not just the unions — and that we put these convicts to work.

I realize that we are dealing with the minimum wage but the convict issue, the sheltered employment issue, the tip credit issue, are all something that is going to influence my decision to support an increase to \$3.15 or whatever, from \$2.95, because right now, the way our service industry sits in Manitoba, the way our tourism industry which has an 85-cent dollar, which sees most of our local fishermen go to northern Ontario. . . We even cut our own budget by 20 percent in a time when we should be increasing the budget 20 percent to get more tourists to come in here.

What I am particularly saying is here you have a job-oriented industry which is sick because of the continued demands for rejection of the tip credit system and the continuous stopping of us creating these types of seasonable jobs that we could hire people for \$400 or \$500 a month rather than this \$6.70, or \$5.50 thing that unions have negotiated and are not flexible. I say that it is the leaders who are not flexible. I suggest there are many programs that the government could stimulate if they were to look at having some flexibility.

I think it is not the fault of capitalists and socialists; I think it is common sense and somebody sitting down to the table and negotiating and co-operating.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I wish the Member for Inkster were here tonight. Having spoken earlier, I thought I would follow him. Mr. Chairman I'm going to do as he did, I feel more comfortable, Mr. Chairman — rise to the occasion.

Mr. Chairman, before I go any further, I want to inform honourable members of the committee that we have a distinguished gentleman who is visiting us from Russia, who is a member and works for the Department of Highways, Mr. Petker. I am given to understand he has friends with him this evening. Fortunately Mr. Driedger, a colleague of ours, is able to act as an interpreter and was able to translate a few things or comments that he had to make to me this evening. Mr. Chairman, I think it is appropriate on this occasion this evening, when we are talking about the problems that we have in this province, and Mr. Petker, for the time that he has been in this country, has found it almost unbelievable what he has seen with his own eyes, how fortunate we are, I suggest to your honourable gentlemen, and Madam Minister, to be Manitobans, to be Canadians.

Having listened to the Member for Inkster, and I have said before that I respect the Member for Inkster and every time I hear him speak — I don't profess to match him in his oratory, no way — but you know, Mr. Chairman, for what he stands for and for what I stand for, I have said before that I will fight the Honourable Member for Inkster as long as God gives me breath to

fight. Mr. Chairman, I say that sincerely, in the interests and as a responsible politician, I am speaking on behalf of not only my constituents of Rock Lake, but I think for the people of the Province of Manitoba.

Mr. Chairman, that was indicative of October 11 last and I want to repeat here this evening what I said last night in the House. This applies to every Minister of the government that I am proud and privileged to be a part of, and the Minister of Labour in this case is no exception. The honourable gentlemen, they can talk all they like about all the strikes that are involved since we became government. I would like to remind honourable gentlemen what happened in the Province of British Columbia when Mr. Dave Barrett took over the reins of government — and he was only there for three and a half years. You know, Mr. Chairman, I would like to tell honourable gentlemen that as a farmer I was working the fields, cultivating summer fallow one evening and I had the radio on on my tractor, and Barbara Frum, on one of her programs in the evening, was contacting various people all over the world. On this particular occasion she contacted the Executive Secretary of a union organization in British Columbia. It was at a time when Mr. Dave Barrett was bringing in legislation to put all working people back to work in the Province of British Columbia. Believe it or not, honourable gentlemen opposite, that is what he was prepared to do because he was desperate. The situation was serious. Mr. Chairman, I want to tell honourable gentlemen the consequences of this whole thing. You know, Barbara Frum asked this executive secretary of the union how he felt about this situation. Mr. Chairman, forgive me if I am going a little offbeat because I think that it is significant and relevant, what we are talking about here tonight. When Barbara Frum asked this gentlemen how he felt about this situation in regard to Mr. Barrett bringing in this legislation, his response was this: "Barbara, I want you to know that we put Mr. Barrett in office." — a supporter of the NDP party — "We're going to watch the Members in the House when they vote on that legislation and I will see to it that those who vote for that legislation, we'll see to it that those NDP members are replaced by other members of the NDP party who are going to do as we say."

For the Member for Inkster to stand up tonight, as he did, and orate about the word "freedom" and what it means, I suggest to him that he is perpetrating the biggest hoax that the socialists have ever performed and tried to perpetrate on the people of the Province of Manitoba, as they are doing right now.

Mr. Chairman, I want to also advise members and remind them that prior — I believe I am correct when I say this — before the last election they were given to understand, the people of the Province of Manitoba, that we had a deficit in this province of somewhere in the neighbourhood of \$15 million. I am not going to give an exact figure, Mr. Chairman, because I don't want to be quoted as being wrong, and I will stand to be corrected if I am wrong.

MR. CHAIRMAN: May I interrupt the Member for Rock Lake and remind him, as I was reminding others earlier in the day, that we are on the Labour Department Estimates and we really are on Administration. If you can tie your remarks into Administration of the Department of Labour every now and again, then you are in order. Just mention labour once in awhile.

MR. PAWLEY: On a point of order. The Member for Wolseley entered into the field of Tourism and Recreation, and you didn't call him to order. So I would think in consistency you ought not to call the Member for Rock Lake into order just because he is entering into the boundaries of the Finance Department.

MR. CHAIRMAN: To the Member for Selkirk, I would expect with the experience of the Member for Rock Lake, that he wouldn't mind me bringing him to order once in awhile, as I did in your case. You will notice that some of the members who haven't been with us that long, I haven't brought them to order. But to the experienced members of both sides, I try to bring them back to the subject from time to time, and I try to be fair. The Member for Pembina on a point of order.

MR. ORCHARD: On the point of order raised by the Member for Selkirk. The Member for Wolseley was quite correct in his reference to Tourism because he was referring to matters of minimum wage and how the chit system should be brought in to replace minimum wage, and it is quite in order and quite to the point as far as the debate goes.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, on a point of order. I don't believe it's fair for you to interject for the purpose of protecting a speaker when he is on his feet, unless you are prepared to do it for all of us. The Member for Rock Lake was just entering very dangerous ground, which he knew very

little about, Mr. Chairman, and you didn't allow him an opportunity to dig himself in.

MR. CHAIRMAN: To the Member for Lac du Bonnet, I tried to protect the Member for Inkster when he was standing and speaking but he chose to have all the interjections that he could possibly have. The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, just very briefly, in reference to the Member for Pembina. You permitted the Member for Wolseley, in some of the harshest language yet, to denounce his government for reducing the tourist budget by 20 percent. You did not intervene. Surely now, Mr. Chairman, you would be prepared to permit the Member for Rock Lake to enter into a dissemination of information pertaining to the provincial deficit.

MR. CHAIRMAN: It was the shortest speech that I have ever heard from the Member for Wolseley; I didn't have a chance to interject. The Member for Rock Lake. But could you please, as I have said to all members, try and occasionally mention the word "labour".

MR. EINARSON: Yes, Mr. Chairman. I appreciate the comments from my friends opposite, and I said a few moments ago, Mr. Chairman, I gave you fair warning as a member who has been here for a number of years, that I realize it is easy to stray from the particular item we are talking about but I think, Mr. Chairman, when I have completed my comments in regard to the financial situation, you will understand that I think that my comments that I make are significant to what the Minister of Labour is responsible for — namely what most members opposite are so concerned about — the minimum wage, as far as the Minister of Labour is concerned.

And if I may just continue, Mr. Chairman, the understanding that the N.D. Party, who were then government, gave us to understand of the financial situation in the Province of Manitoba was roughly a \$15 million deficit, prior to an election being called.

I believe, then, during the election campaign, they changed that somewhat and probably increased it a bit. When the election was over, the Member for Seven Oaks, indicated — because he won his election and I believe to save embarrassment, and that's the only thing I could get from this whole thing was that he thought he had better make an announcement that the deficit wasn't \$15 million; it was probably much closer to \$30 million.

Mr. Chairman, then when we took over and our leader, your Premier of the Province of Manitoba, astutely asked the Auditor on October 24th, or shortly thereafter, to do a financial statement of the Province of Manitoba. —(Interjection)— Yes, this is one of the horror stories. If you want to talk about a horror story, Mr. Chairman, here is one of them. Here is one of them I can truthfully say that amazed the people of the Province of Manitoba. It wasn't \$15 million; it wasn't \$30 million deficit. I am given to understand it was much closer to \$129 million deficit on the current side of the ledger, notwithstanding the deficit insofar as capital was concerned.

As a result, Mr. Chairman, my colleague, the Minister of Labour, finds herself — like all other colleagues who are on the Treasury Bench — in a very difficult situation. They don't have the financial resources that honourable gentlemen had when they took over office in 1969. As a result, they had to cut the pie according to the economic situation that they found themselves in.

Mr. Chairman, I would suggest to you that when we talk about minimum wage certainly, as I said earlier, we are concerned about the minimum wage but I think that there is a lot more to it than that. I believe the Minister of Labour has a responsibility for not just the minimum wage but for the total picture.

You know, Mr. Chairman, when we talk about wages, I want to suggest to honourable gentlemen opposite — and I have always said this, and I'm not laying the blame totally on labour. I'm not laying the blame totally on management. I suggest, Mr. Chairman, that it is a combined situation where labour and management have responsibility to themselves and to society. We are not very far apart; we're not far apart.

I want to suggest, Mr. Chairman, maybe the Minister of Labour could give you some facts, I don't know. But let me tell you this: Unless I am wrong, I am given to understand, because I had a visit with a constituent of mine in the St. Regis Hotel yesterday who was a member of a union, who knew Mr. Christophe personally and knew him real well, and I'm telling you, Mr. Chairman, I was surprised and shocked to learn the comments that he had to make, as a union member, about the leader that was leading them in this society.

Mr. Chairman, I suggest to you, when my colleague, the Member for Gladstone, is suggesting we start talking about striking in order that we can work rather than strike so we don't have to work and I will suggest, Mr. Chairman — and here it takes some intestinal fortitude to say this — that you would be surprised how many people of the rank-and-file, who are not members of a union, who want to work. I suggest, Mr. Chairman, it's high time that we start telling the responsibility that management have and the responsibility that union leaders have. They better start

telling the people the true facts of what's going on.

I give you two examples on the labour side and I stand to be corrected if I am wrong.

MR. CHAIRMAN: The member has 10 minutes.

MR. EINARSON: If Mr. Christophe is saying that a person when he goes on holidays should have \$15 a day extra, over and above the pay that he gets while he is on holidays because it costs more to go on holidays, I think that it is completely ludicrous and irresponsibility.

I also suggest, Mr. Chairman, on the part of a leader of a union, who says that when the husband's wife is going to the hospital to have a baby that he should have two days off for maternity leave, is ludicrous. I suggest, Mr. Chairman, these are the kind of things that are going on.

You know, Mr. Chairman, I said earlier the ex-Minister of Agriculture says that when a cow in my herd gives birth to a calf that I am there to attend. No, Mr. Chairman; no, Mr. Chairman. I depend on the good grace of the Almighty that is going to look after her, and you know I am not always there. Sometimes I am but very seldom I am. You know, when the ex-Minister of Agriculture starts using that as a comparison, I think I was right when I said earlier that the ex-Minister of Agriculture didn't know one end of a potato from the other.

So, Mr. Chairman, having made these few comments, I want to say to honourable gentlemen that I hope that they become more responsible. In the comments that I have heard this afternoon it's not just one aspect, I think labour and management have a responsibility to themselves and to society. I can tell you this: I have never been to a union meeting but some of the stories that I have heard come out of union meetings, the rank-and-file of the unions are unhappy with the way the leaders are forcing attitudes upon the rank-and-file of those people. Thank you, Mr. Chairman.

MR. CHAIRMAN: To the Members of the Committee, we have four speakers on my list: The Members for Logan, Lac du Bonnet, Selkirk and Transcona, in that order. The Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. I said this afternoon that we had heard a lot of rubbish and, my God, I have heard nothing but utter tripe and rubbish this evening.

I heard the Honourable Member for Gladstone, who said that he was against the union hall hiring system because it supported drones. That was the words that he used. Well, I can assure you, Mr. Chairman, and you, Madam Minister, and fellow members of this committee, that I served my apprenticeship in the building trades industry. I served my four-year apprenticeship for a construction firm in this province and I can assure you that we were hired through the union hall system but you had to produce on the job, and if you didn't produce off you went. And it was as simple as that; not some bloody nonsense like we hear from the Member for Gladstone. He said he has worked in construction. Well, I can tell him he has never worked on a construction crew here in the City of Winnipeg, or in this environs, because that is rubbish — absolute rubbish. The people who are hired through the union hall system, and I think the Member for Inkster put it very succinctly, that is a system that has been in operation since about the year 1900, or even previous —(Interjection)— and probably built this building here. And to say that that system supported drones is ludicrous.

The Member for Rock Lake says that things are ludicrous. Well that is the most ludicrous thing that I have ever heard — absolute stuff and rubbish.

Now, the Member for Wolseley, he is not here, either. He talks about corporate giants and union fat-cats. Talking about Bernard Christophe, who happens to be the President of the Retail Store Employees Union here in the City of Winnipeg. He is elected by those people. The members here like to talk about October 11th. Well, I will tell you, he is there as a result of an election by those employees who work in that trade and it's their democratic right. They are the ones who elected Bernard Christophe — not me, not you or anybody else.

When the Honourable Member for Wolseley says that the decisions are forced on these people that is rubbish, too, and he should know better because he said one time that he was a member of a union. And if he can tell me that when he worked in Transcona Shops that he was forced to make a decision, by his union leadership, then I tell you I can't believe anything that he says, and I believe very little that he says now. But to say that union fat-cat presidents or negotiators lay down the law to their memberships, this is what we're going to have. The Member for Rock Lake said he's never attended a union meeting and so he really knows nothing about what he talks and it's absolute hearsay and rubbish from disgruntled members perhaps that he's getting. The decisions that are taken are taken by the membership as a whole and not by anybody else. —(Interjection)— They push the leaders around —(Interjection)— and it's a secret ballot, yes. We had one here where I worked and it was mailed to me in my home with a sealed envelope to put

my ballot in, yes or no, do I accept the contract. That is normal . . .

MR. WALDING: That's more democratic than the Conservative Party.

MR. JENKINS: That's more democratic like my friend from St. Vital says than the Democratic Progressive Conservative Party. Now, we're talking about people when an industrial dispute takes place. According to the members opposite it is always those poor fellows that are out there with those placards, the pickets, and their union leaders who have misled these poor misguided people to a decision, but at least they have put the facts on the table, they lay out a list of demands, you have a right that you want to put that in, or you don't want to put that in, that goes before it ever goes to the bargaining table. That's more than the management group does, because I can assure you Great-West Life if they had a dispute would not contact the Member for Inkster who happens to be a shareholder and say do you think we should have a lock-out, like hell they do. The management decides, they don't have a democratic vote, no way. Do you think the shareholders of the CPR take a vote on whether they're going to ratify the wage agreement or what the wage demands will be? Like the devil they do, that is a management prerogative and we're talking about democracy. There's no democracy on that side of the table because they don't use any democratic means.

I happen to be a shareholder because I am a holder of a life insurance policy, I believe it is Metropolitan Life. I have yet to receive from that company, and I have read the policy, I have one proxy vote that I can cast on behalf of somebody, but I've never been notified of a general meeting, who the officers of that company will be, never once. —(Interjection)— I do not. —(Interjection)— I do read it and I have never received such an item. —(Interjection)— That is never done. If the honourable member wants to debate, fine he can have his turn. — (Interjection)— That's good I'm glad to hear that, because you speak better from your seat than you do from your feet. It's too bad that your honourable friend Tweedledum isn't here because both of you seem to be fighting for the vacant spot of the next Minister and that is the Honourable Member for St. Matthews. You watch them, watch them in the House sometime, one of them speaks, the other jumps up because he doesn't want him to get ahead of him. —(Interjection)— Tweedledum, Tweedledee. I don't know, I'm not sure this is Tweedledum or whether this is Tweedledee. —(Interjection)— They're both out of the running because I don't think the First Minister has that —(Interjection)— Well, if you want to go and look at these Estimates, there is money in the Estimates for 17 and a half Ministers, I want to know who the half Minister is. —(Interjection)— Well, that might be, you might have some half-wits, I'm sure you have some half-wits over in that section.m

But, to get back to what the Honourable Member for Gladstone was talking about. The Honourable Member for Gladstone, who should know better, says that he wants to sell his beef for the highest price possible and the Member for Pembina says the same thing. How about that guy out on the street with that placard? He wants to sell his services for the highest price that he can get and you say that's wrong, but yet when you're selling your beef or selling your wheat, you want to sell them for the highest price possible and I don't disagree with you one bit. —(Interjection)— I have never and in fact I think the honourable members can say here, the honourable members when . . . —(Interjection)— Look I'm not complaining, the honourable member is trying to distract me.

I'm going to get back to the beef question. When the beef producers here boycotted and refused to deliver beef and it came up in the House three or four years ago, and I got up and I supported the farmers. I said you have a right to do that, absolute right, that is your right to do and I don't dispute that with you. Now why should you go and dispute that poor worker at Safeway or the building trades or the beer workers? —(Interjection)— Some are locked out, they're not even on strike. The management I believe at Carling O'Keefe locked their workers out, did they contact their shareholders to lock these workers out? No, not one of them contacted. Management decided that they would lock them out, they would have a cartel and they have a cartel. One brewery has struck, the others all closed.

Now, we have the other anomaly here at in the retail trades of groceries where they couldn't agree. Here were the employers trying to get together in a cartel, in a union, but again I guess the greed S —(Interjection)— somebody got double-crossed. It was quite amusing, I believe it was yesterday evening watching on 24 Hours, Christophe and the gentleman who was. . . Pinchin, he didn't even want to talk about Dominion, that was nasty word, it was dirty word, don't even talk about Dominion Stores. But to say that unions are being pushed around by union bosses is absolute nonsense. You should come and sit at a union meeting sometime. If you think that the members of the executive have an easy time, they have the roughest time going because I think I held practically every office that it was possible hold in my union. I have been a President, been a Vice-President, I've been a chairman of a grievance committee or the grievors as they call them on the railway, been a Vice-Chairman of that, been a member of the Grievance Committee, I was Financial Secretary,

I was Chairman of the Board of Trustees and member of the trustees. I think the only position I didn't hold was Recording Secretary, I didn't write too well.

So, I can tell you that if you think that I as a union president told my 600 or 700 union members in our local what they were going to do, they told me where to go in no uncertain terms. I can recall when we held a joint meeting of the four carman locals in the Greater Winnipeg area, there happened to be two working for the CPR and two for the CNR. We brought in our negotiators from Montreal who had been negotiating on our behalf and it was a large meeting, we had about 1,200 people. I was the Vice-President of my local at the time and a flip was taken to see who would chair that meeting. My President won, but then all of a sudden he got cold feet and he said you're the Vice-President, I'm going to make you the Chairman for the evening and it was my task to chair that meeting. —(Interjection)— Well, it may not sound democratic, but somebody had to chair that meeting, but if you thought that the union membership of those four carman lodges here in Winnipeg which I guess would represent around maybe 3,000 or 4,000 people, we had 1,200 people out, which was a pretty fair turnout to one meeting. And if you think that they were happy with the negotiation and what they had achieved on our behalf, hell, those people hadn't gone half far enough as far as the union membership was concerned. But many people unfortunately within trade unions and other places too, seem to think that you walk into a bargaining session with management and you just throw it on the table and they say, where do you want me to sign. Well, it's not that simple. It's a process of give and take, the whole collective bargaining system, that's what it all works about and it works better as the Minister stated this afternoon, when third parties keep their cotton-pickin' noses out of it. It works better when it's left to industry and labour to settle their own disputes.

You think because we have labour strikes in Canada, and I think someone said second only to Italy, but we have more intervention, that's one figure that's not brought out by government. We have more intervention in wage disputes in Canada than they do in many of the western European democracies and certainly more than they have in the Scandinavian countries. —(Interjection)— No, the honourable gentleman over there from Pembina, he really doesn't understand, I mean . . . —(Interjection)— I'm sorry, Mr. Chairman, I will try and address my remarks to you, but the honourable member keeps interjecting and so if you will keep him from bugging me, then I will address my remarks to you and to the Minister, but if he's going to keep interrupting me, I'm going to reply to him and that's as simple as that.

What I said, why we have so much industrial disputes and so much time lost because of industrial disputes is because we have perhaps one of the highest incident rates of government intervention into wage disputes of any of the western democracies, very little in Western Germany, very little in the Scandinavian countries and very little even in the U.K. And when the honourable Member for Gladstone was talking about the unions bringing the U.K. to their knees, well the U.K. and I think who presented it quite well was the Honourable Member for St. Vital who stated that we are trying to compare apples and oranges. We certainly are when we're looking at the consist of the industry and commerce and agriculture of the U.K. as compared to Canada. And, it was only brought to that state of affairs by a Tory government, a Tory government who under Heath wanted practically miners, he wanted the most filthy working conditions. Now the mines in Canada are nothing to write home about, but some of the mines in the United Kingdom were certainly no palaces. I think that the Honourable Member for Flin Flon whose father worked in the coal mines in Britain — Is that right? — could tell you some stories and I suggest a book to my honourable friend from Pembina, that's very very good reading for him. It's called The Rape of the Fair Country. —(Interjection)— I just can't tell you offhand who the author is, but read about the mines as they were, how pregnant women, eight, nine months pregnant walking from shift to shift carrying sacks of coal from one drift floor to another and the conditions haven't improved that much in those mines. They've improved but it is a dirty business to work in and that brought the Heath government to the people and they were defeated and the trade union movement, to their credit, in the United Kingdom formed a social contract with the present government, a social contract by which they have been able to reduce their inflation rate even though they were hit by the oil sheiks of the Mid-East when they decided that the price of oil would not only triple but quadruple many times over. This put not only the United Kingdom but all of western Europe, and even this country here, and the United States . . . We are still suffering the effects of that. That is one of the inflationary factors that has brought about the inflation. But to state that the trade union movement of Great Britain brought that country practically to its knees, well, I'll tell you, they picked them up off their knees because it is a social contract that they have held for the last three years with the British Labour Party that has put them on their feet. Even though they have wiped that contract out now, various blocs of the TUC are still supporting the government and going along with those wage demands, much different than what was put here. Here we don't try to co-operate. Government does not try to co-operate. Government sets the cart before the damned horse. That's what the Liberals did in Ottawa. There is a set of conditions — take it or leave it.

In some respects, the Minister of Labour is right. We are now reaping some of the seeds that were sown by that type of legislation that was brought in, and I might say it was supported by the Conservative Party in Ottawa, wholeheartedly supported. Joe Clark would have done the same thing; Robert Stanfield would have done the same thing. He fought an election on it and was defeated. So don't pretend that you are golden angels on that issue, because you are not. You are equally as guilty as the Federal Liberals were on that issue, as anybody else. —(Interjection)— That is true. The honourable member says they didn't win the election and the unfortunate thing is that the guy who won the election, who said he would not institute wage and price control, did, and it is too damn bad that we didn't have something to impeach people because anybody who would go to the people and lie to them and then six months later go and do the very opposite, if he had the courage of his convictions, he would have dissolved that House and called an election.

Mr. Chairman, to get back to what we were on prior to . . .

MR. CHAIRMAN: Labour - Administration.

MR. JENKINS: . . . 5:30 this afternoon, we were at that time on the minimum wage and hearing some of the arguments put forward by honourable members opposite. I don't know whether they feel that they have to come to the defence of the Minister and I'm sure that she is quite capable of looking after herself. I think she possesses the moral fibre to fight her own battles. Perhaps they feel they should be in here fighting her battles for her but I think I have a fairly good measure of the mettle of the Minister and I think that she is quite capable of looking after herself. I don't think that the honourable members of the government side have to come in here and fight her battles for her.

When we hear statements such as we heard this evening by the Honourable Member for Rock Lake, the Honourable Member for Gladstone and the Honourable Member for Wolseley, which I said before is nothing but pure utter rubbish and tripe by people who know nothing of the trade union movement, except maybe the Honourable Member for Wolseley. I don't know how long he was a member of a trade union but he certainly couldn't have been one for any great length of time. To have him come and say here this evening that Bernard Christophe or any other union negotiator, is telling his members that this is how they are going to vote, that is rubbish and the sooner you disassociate yourself out of that notion, the better off you are going to be.

The reason we have had relative industrial peace in the Province of Manitoba for the last eight years is because we have kept our noses out of industrial disputes. We have tried to let the people settle those strikes. It was true what the Member for Inkster said. Last spring, when the dispute took place between the Transit workers and the City of Winnipeg City Council, the then Minister of Labour was kind of thinking that maybe perhaps we should introduce legislation. The Honourable Member for Inkster, to his credit, said no, he would not vote for that type of legislation, and I would not have voted for that type of legislation.

Once that was made clear to the City Council, lo and behold, they were able to settle that strike. Because once these people get the idea out of their head that somebody is not going to come along and bail them out, then people are going to sit down realistically on both sides — I'm not saying that there are not problems on both sides of the table because it takes two people to make a damned argument — but don't come here and say, as you are wont to say, that it is all one side because it is not. If it was all one side, there wouldn't be any argument.

Well, Mr. Chairman, I hold the Minister to what she said this afternoon when she made her introductory remarks to this committee. I said at that time I wasn't too sure that I really believed what she said and I am less sure this evening after hearing honourable members of her party here this evening. If I read them right, they wouldn't hesitate a moment to order workers back to work, without one iota of conscience whatsoever.

So we will look, we will watch the labour scene here in Manitoba and we will see. It will be very interesting, especially when this House prorogues if these disputes are still going on — well, the Minister knows what she has got to do then, she has got to call this House back into a special session, because only this Legislature and nobody else — not the Minister, not the Executive Council or the Lieutenant-Governor-in-Council can order the people back to work. Only this Legislative Assembly, in Session, can order anybody back to work. If you try that, you might think that you are having a hard time now, but you will have one hell of a fight on your hands.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, in our discussion some two hours ago, I guess it is, the Minister neglected to respond to a couple of key questions that I put to her, namely, what is the government's policy with respect to the concept of having a minimum wage for the Province of Manitoba? In that context, if that is positive, then at what levels should that minimum wage be maintained relative

to the wage scale in Manitoba? Is there a policy of the government on that particular question?

MR. CHAIRMAN: The Minister.

MRS. PRICE: As I mentioned earlier today, we are continuously monitoring the level of the minimum wage. Our purpose, we feel, is to keep it on a competitive scale so that we will be able to have businesses flourish and be able to have employment on such a scale that our economy will be something that is a vast difference from what it is at the present.

MR. USKIW: Mr. Chairman, I would like the Minister to elaborate, then, on the point "competitive." Competitive to what, or with what?

MRS. PRICE: Competitive to the rest of Canada and our counterparts across the line.

MR. USKIW: Mr. Chairman, that then raises the question: Is the Minister suggesting to this committee that we will want to measure up to the lowest minimum wage in Canada?

MRS. PRICE: No, I mentioned earlier I did not want it measured to the lowest, nor did we want it measured to the highest. We want to have a competitive one with the rest of Canada and the States.

MR. USKIW: Mr. Chairman, then could the Minister tell us whether in her mind or in the thoughts of the government, whether there is no rationale whatever for relating the minimum wage to the average wage in Manitoba, the industrial composite or the cost-of-living index, or whatever formulation one could conjure up? Is there no relevance there whatever? Is the only important criteria the minimum wage that exists in other jurisdictions?

MRS. PRICE: We feel that the most important criteria at this moment is to be able to have the businesses remain in business. In spite of what the Member for Lac du Bonnet thinks, that it isn't the amount of work in the private sector that encourages a good economy in the province, we feel that that is the only route that we can take, to encourage businesses to become more productive and to move into the province and settle here and open up new jobs. In that way, our economy will flourish and our minimum wage will go up also.

MR. USKIW: Mr. Chairman, I would then suggest to the Minister that I don't believe that it is in the public interest to encourage minimum-wage industries into Manitoba, that that is a liability, it is a total disaster for the total community of the province. If that is the government's policy, then, Mr. Chairman, I believe that we would be better off without having a Department of Labour whatever, if that is the direction that we are going to move. That is a disastrous policy, Mr. Chairman, if the idea is that we are going to encourage low-wage industries into Manitoba. We have got enough of them now and what we should be doing is bending our efforts to encourage the high-wage sectors into Manitoba and play down the entry of additional low-wage industries. We don't want an expansion of the minimum wage situation with respect to the garment industry. I don't believe that that has any benefit to the people of Manitoba whatever.

MR. CHAIRMAN: The Minister of Labour.

MRS. PRICE: We are not concentrating on bringing in low, minimum wage businesses to Manitoba. For the benefit of the Member for Lac du Bonnet, the people who are actually collecting minimum wage run in the neighbourhood of 6 to 10 percent.

MR. USKIW: Mr. Chairman, I am rather confused now. The Minister just a moment ago indicated that they would want a minimum wage set at a level that would sort of invite new businesses into the Province of Manitoba. Now, that to me indicates that she has an intent on attracting additional business enterprises who would be based on the minimum wage system. We've got enough of that now. That is not, Mr. Chairman, beneficial to the economy of this province. That is a drag on the economy of this province.

MRS. PRICE: That is the opinion of the Member for Lac du Bonnet, not necessarily shared by myself and my colleagues.

MR. USKIW: Mr. Chairman, I would then suggest, if the Minister believes that that is merely the

opinion of the Member for Lac du Bonnet, then I invite her to consult with any economist, any economic advisor, and ask their opinion on whether it is a worthwhile effort on the part of the government to attract additional minimum wage industries into this province or any province.

I have one other question, Mr. Chairman. Did the Minister give any consideration to the last report of the Minimum Wage Board?

MRS. PRICE: I don't believe you were in the House; we have been through this. The Minimum Wage Board met last July. At that time, they gave a majority report to the former Minister of Labour with suggestions that there be a 60 percent industrial composite which would have brought our minimum wage to \$3.55. I might also add that my predecessor did not agree with it and didn't think that that should be implemented.

MR. USKIW: Mr. Chairman, the Minister recognizes, of course, that that is a recommendation to the Minister. Now that doesn't mean that if the package is not acceptable to the Minister, that nothing shall be done with respect to an adjustment in the minimum wage. If it was not felt desirable on the part of the government to accept that recommendation at \$3.55, whatever the figure is, then surely there must have been some thought given to where the minimum wage should be drawn. Could it be \$3.50, or \$3.35, or 3.15? Surely there must have been some consideration given to adjusting the minimum wage from the present \$2.95. I don't expect, Mr. Chairman, that it would have to go all the way to \$3.55, but I can't understand it remaining at \$2.95 either, Mr. Chairman.

MRS. PRICE: I have, Mr. Chairman, a letter from my predecessor, Mr. Paulley, to the former Premier and the members of the Cabinet, with regard to a Minimum Wage Board report and his last paragraph he says, to quote, "I make no recommendation as to an increase in the minimum wage at the present time. For your information I have had no pressure for an increase as of now."

MR. USKIW: Mr. Chairman, I wonder if the Minister would give us the date of that.

MRS. PRICE: The 26th of July 1977.

MR. USKIW: That is a very irrelevant date, Mr. Chairman. That goes back to a year ago, almost a year ago, eleven months ago.

Now I suggest to the Minister of Labour that we have in Manitoba today, a number of strikes emanating from the various negotiations that have been taking place for increased benefits to workers in Manitoba. We have a good part of the province shut down today because of increased demands for greater pay on the part of trade union people. We are currently involved, that is the Province of Manitoba, the government is, involved in negotiations with the MGEA for a new contract. Is the Minister going to tell us, is she able to tell us today that since the minimum wage remains frozen, that the government is not in a position to give any kind of an offer to the Manitoba Government Employees Association? Is this an indication that there will be a zero offer made to the MGEA?

MRS. PRICE: The MGEA are right now at the bargaining table and it is of a confidential nature and I am not about to ask them or tell you what they are working on at this particular moment.

I would like to also speak to the honourable gentlemen of the Opposition. They have been making numerous remarks about everybody out on strike and seeming to point the finger at the present government. I would like to point out that statistics show that we have a long way to go to match the 1974 and 1975 strikes we had under your government, under the previous government. . .

MR. USKIW: You have just begun.

MRS. PRICE: . . . and we didn't have the profound effect of the AIB at that time.

MR. USKIW: Well, yes, Mr. Chairman. Is the Minister able to tell me that there will likely be an increase in the salaries of government employees at the end of the negotiations that are now under way?

MRS. PRICE: As I just mentioned they are at the bargaining table now and it is between the MGEA and the representative for the government and as such it is of a confidential nature.

MR. USKIW: Mr. Chairman, I am not asking the Minister for details of the submissions from the

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MGEA or the proposals on the part of the government to the MGEA. I am merely asking whether or not there is a proposal from the Government of Manitoba that would increase the benefits to the MGEA in these negotiations?

MRS. PRICE: Are you referring to the increments by benefits?

MR. USKIW: I am talking about all of the items that are negotiable items and which contract has been terminated and over which a new contract is being sought. Is there going to be any adjustment, upward adjustment, in any part of the agreement, either in fringe benefits or in moneys?

MRS. PRICE: At this point I will reiterate that I will not say anything that is taking place at the bargaining table at this time.

MR. CHAIRMAN: To the Member for Lac du Bonnet I might point out on Page 80 of the Estimates Book, Resolution 118, for total general salary increases, there is an amount of \$8 million.

MR. USKIW: I'm sorry, of how much?

MR. CHAIRMAN: \$8 million, it's on Page 80 of the Estimates Book. So that sort of is a leeway and I would in this case agree with the Minister, that I don't think it is her right to say what is going on behind closed doors in bargaining.

MR. USKIW: Mr. Chairman, I appreciate your help. I wasn't aware that there was an \$8 million amount allocated for the next contract, additional to what is now being paid. So since we now know that the government is prepared to go up to \$8 million, or at least the Estimates allow them to go that high in new benefits to the MGEA employees, I then want to ask the Minister on what basis she can allow any increase to the MGEA in the new contract and not increase the minimum wage at the same time?

MRS. PRICE: The minimum wage is a matter of government policy that is discussed and decided by Cabinet and my colleagues. The MGEA negotiations are between the government and the MGEA and with their bargaining agents and as such that is how their pay raises are determined.

MR. USKIW: Mr. Chairman, I ask the Minister whether in her opinion it is fair to consider an increase of salaries for the members of the MGEA while giving no consideration at all for an increase in the minimum wage at this time?

MRS. PRICE: I didn't say that there was no intentions or thinking about giving any increase to the minimum wage.

MR. USKIW: Mr. Chairman, then the Minister is not levelling with the Committee. The Minister indicated that she is not in a position to announce any change in the minimum wage. She has indicated that she doesn't even know if there will be any change in 1978, but we do know that in the last twelve months there was an increase in salaries of the members of the MGEA. We do know that there is another round of negotiations for which there is allocated some \$8 million in our current Estimates, and yet the government is not in a position to give one iota of indication of support for the idea of increasing the minimum wage. Not one iota, not one indication. Mr. Chairman, I just can't believe that. That is an incredible performance on the part of the government. People who are earning \$40,000 a year are going to receive an increase in the next contract, but people earning \$2.95 an hour are being told that the government isn't sure whether there is an increase warranted at this time.

What kind of logic, Mr. Chairman, are we applying? What kind of — well, it is inhuman, Mr. Chairman, to think in terms of increasing the salaries of the elite, and that is what we will be doing, —(Interjection)— Well, Mr. Chairman, I will predict that after the increases are agreed upon for the members of the MGEA, that there will be an Order-in-Council increasing the salaries of all those people who are not in the bargaining unit proportionately. I will predict that right now, and those will be huge sums per individual, Mr. Chairman.

I ask this Minister how she can contemplate that in light of the fact that it is going to be almost two years since the minimum wage has been adjusted? It will be two years this September since the minimum wage has been adjusted, Mr. Chairman. We have had an increase, the MGEA, we have had an increase for the top salaried people in the public service last year. They are asking for another one and negotiations are under way and an appropriation of \$8 million has been provided for it. We are in a position where the Minister is unable to indicate that there is any need or rationale

for adjusting the minimum wage in Manitoba.

Mr. Chairman, I could not vote the salary of this Minister with those kind of answers, I'm sorry.

MR. CHAIRMAN: I have a list of five persons who wish to speak. In order they are: the Member for Selkirk, the Member for Transcona, the Member for Churchill, the Member for Pembina and the Minister responsible for Housing.

The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, in view of the advice which has been offered to the Minister of Labour by her colleagues tonight, I think that she is really in some jeopardy if she accepts the advice of her colleagues. In last month's issue of *Chatelaine*, there is a list of women who are involved in political life in Canada and the Minister, I thought for rather unfair reasons, because she is not the Minister responsible for Family Law in Manitoba, was cited as a counter-productive Minister. I thought that was somewhat unfair. But let me say that I do think the Minister is genuinely in jeopardy of earning that title if she should accept and implement into action policies relating to the philosophies that have been expressed by her colleagues this evening.

I can also see why, Mr. Chairman, there was sensitivity on the part of the Minister of Northern Affairs today. I think we misinterpreted the concern of the Minister of Northern Affairs. He felt that the Member for Inkster was suggesting intervention in labour-management dispute. I think, Mr. Chairman, that the Minister of Northern Affairs was rightly concerned and sensitive, but I think he was sensitive because he knew of the pressures that were building up within the ranks of his own caucus, within his own Cabinet, for right-to-work laws and other anti-labour legislation. The Minister of Northern Affairs knows that he is not going to last very long if this government embarks upon an anti-labour course, particularly a member who, although a Conservative candidate, was very close to the labour movement. That was the image that the Minister of Northern Affairs tried to generate for himself in the last election. I now understand, after the comments this evening, why the sensitivity, why the near panic on the part of the Minister of Northern Affairs today insofar as the question that was posed to the Minister of Labour earlier today by the Member for Inkster. I'm sure the Minister of Northern Affairs would have to acknowledge that he wasn't really concerned about the Member for Inkster intervening in labour-management disputes. He knew in advance of us tonight what his own members and colleagues felt insofar as labour-management disputes were concerned.

MR. CHAIRMAN: The Minister of Highways on a point of order.

MR. HARRY J. ENNS: On a point of order, Mr. Chairman. It is a well-established rule of the House and the overall rules of the House govern those rules that we operate under in committees outside of the House, where it is not appropriate to have individual Ministers and different Ministers of the Treasury Bench be responsible for individual Minister's answers to the House.

In other words, what the Member for Selkirk is asking for, he is asking for a Treasury Bench member's response in the House and is laying that at the doorstep of this particular Minister. I suggest to you, Mr. Chairman, that that approach is not an appropriate one and is a non-acceptable one for consideration before this committee. The rules of the House dominate the same rules in this committee.

MR. CHAIRMAN: The Member for St. Vital. \$

MR. WALDING: Yes, Mr. Chairman, to the same point of order. I was listening to the Member for Selkirk and what I heard him say was giving his impression of what members had said in the House and the events that had taken place in the House. I didn't hear him asking the Minister to answer for any other Minister. I believe his remarks were quite in order.

MR. CHAIRMAN: The Member for Kildonan, on the same thing?

MR. FOX: Precisely, Mr. Chairman. The member is entitled to express an opinion of what he thought he heard and what he thought he saw. And if it isn't correct, it can be corrected. But, under the circumstances, he wasn't accusing the Member for Thompson, the Minister of Northern Affairs, of anything, except expressing his own opinion of why the Minister of Northern Affairs was on the defensive, and I think that is fair debate.

MR. CHAIRMAN: I believe what the Minister of Highways was trying to point out was that the Minister of Labour should not be responsible for what the Minister of Northern Affairs might be asked. I

think that's what the Minister of Highways was trying to point out and that this Minister doesn't have to answer for another Minister. The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I certainly didn't request that the Minister of Labour answer. I was giving to the committee my impression and my opinions. In fact, I am not even expecting the Minister of Labour to respond to this, except I think that tonight we do have a clear impression of what pressures and what tug-of-war — and I don't think it's much of a tug-of-war — because I suspect that most of the members of the government share the views that have been expressed tonight by the Member for Gladstone. I think the Member for Gladstone represents the vast majority of the views in connection with the members of his caucus pertaining to labour matters. I think that is quite clear. I suspect, at the most, there is one or two in the caucus that are somewhat nervous and sensitive to the type of positions that are becoming dominant within the Manitoba Provincial Conservative Government.

Mr. Chairman, I thought the Member for Inkster really did relate very well the problem which exists insofar as Manitoba today, a problem which has been introduced to Manitoba as a result of, first, the AIB guidelines and the fact that the cost of living continued to increase at a rate higher than that which was allowed to the wage earner under AIB, the fact now that the AIB is followed by the restraint exercise, a restraint exercise which is imposing, in the public sector, 2.9, 3 percent.

I want to say that the Member for Lac du Bonnet, I do believe, was attempting to draw all this from the Minister, that in fact that all we are seeing is leadership of 2.5, 3 point, while at the same time, Mr. Chairman, the cost of living is increasing at 8 to 9 percent. Then we wonder, Mr. Chairman, why it is that there is increased pressure on the part of the wage earner in the Province of Manitoba. If the cost of living continues to rise at a rate which is far in excess of that which is occurring at the wage level, both a result of AIB and as a result of the restraint exercise, then, Mr. Chairman, that is the reason. And that is a reason that is attributable to the Liberal Government in Ottawa, the Conservative Government in Manitoba and, Mr. Chairman, as far as I am concerned there is little iota of difference, basically, between the Liberal Party and the Conservative Party insofar as their basic position vis-a-vis economic matters in Canada, very little difference. —(Interjection)—

MR. CHAIRMAN: The Member for Selkirk has the floor.

MR. CHAIRMAN: The Member for Kildonan.

MR. FOX: Would you be kind enough to inform the Member for Lakeside that there is parliamentary procedure and that his childish little-boyish outbursts are not necessary. —(Interjection)— It has got nothing to do with the truth, the Member for St. James. He, too, acts like a schoolboy too often.

MR. CHAIRMAN: The Member for Selkirk has the floor.

MR. PAWLEY: Mr. Chairman, if the New Democratic Party made any mistake in Ottawa, it was accepting the fact that the Liberal Party, possibly, by a slight shade — a very, very slight shade — was slightly better than the Conservative Party. I'm not so sure whether the New Democratic Party in Ottawa should have gotten into that game, but if there was a mistake it was the recognition that there was a slight shade of difference, and it's not to the advantage of the Conservative Party, Mr. Chairman. Let me say that.

Mr. Chairman, the problem basically is, I fear, the fact that the Provincial Government and the Conservative philosophy is one that is based upon a feeling that business is going to thrive most if the benefits that flow from government flow into the coffers of businessmen. In some way, there will be a trickling down of those benefits to the consumer. That is the philosophy.

Mr. Chairman, that philosophy has never been demonstrated as being sound in economic practice and I regret, Mr. Chairman, that at this time, when it has been acknowledged by members opposite, there are economic difficulties that we have still economic philosophy and attitudes that relate to that type of philosophy that dominated in the 1930s.

Mr. Chairman, I suggest that if the minimum wage was adjusted — adjusted just a little — that it would do a hell of a lot more to improve the economy of this province by providing a little bit more purchasing power into the hands of those that would like to buy goods, would like to buy a little shelter, a little bit more clothing, a little bit more to eat with, a little bit more of recreation, and that would do more to stimulate the economy than all this nonsense that we hear from the Minister that a little improvement in the minimum wage is going to hurt business in this province.

Mr. Chairman, remarks were made earlier there is a difference in philosophy, remarks by the Member for Gladstone. Well, I am glad that there is a difference in philosophy and that's what. Mr. Chairman, Manitobans will be called upon to determine or to decide upon over the next three or four years. And if the philosophy that has been expressed tonight, which has not been the philosophy that was openly expressed last October, continues to be expressed, then, Mr. Chairman, I have no doubt as to what the outcome and what the determination of Manitobans will be over the next three or four year period.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: Thank you, Mr. Chairman. Earlier in the discussion of the Estimates this evening the Minister said — or perhaps it was this afternoon, I'm not quite sure but at least today — the Minister had said that she had been receiving recommendations and advice from her colleagues in regard to running her department. I have heard many of her colleagues speak tonight and give her and give us such advice and such recommendations and I would just like to clarify, at this point, with the Minister, how she feels about some of that advice and some of those recommendations and I would ask her a series of specific questions. The first being: Does she agree with the Member for Gladstone that the trade union movement has brought England to its knees?

MR. CHAIRMAN: The Minister.

MRS. PRICE: I also didn't say that I was receiving advice on how to run my department from my colleagues.

MR. COWAN: I'm sorry; could the Minister repeat her answer?

MRS. PRICE: I said I did not say at any time that I was receiving advice from my colleagues on how to run my department.

MR. COWAN: Did the Minister at any time say she was receiving advice and recommendations from her colleagues?

MRS. PRICE: I said I was in consultation with my colleagues, and it is a policy of government to determine whether the minimum wage is raised or not.

MR. COWAN: Then I would ask the Minister, irrespective of whether she has been receiving advice from her colleagues, which is an internal matter, I would ask her does she agree with the Member for Gladstone that the trade union movement has brought England to its knees? And I ask that question because it is important for the government; it is important for the opposition; it is important for the people of Manitoba to know how the Minister of Labour feels on some matters that are very specific and very pertinent and very timely concern to Manitobans as a whole. So I would ask her: Does she agree with that statement?

MRS. PRICE: I don't believe that has any bearing on my Estimates, what my colleague from Gladstone feels and what I feel.

MR. COWAN: What I am asking the Minister, and I do believe it has bearing on the Estimates because the Minister is responsible for the department and we must know something of the philosophy of the Minister. And, according to the Minister herself, she has been much maligned in the press as having made statements that . . . —(Interjection)— Well, I am giving the Minister an opportunity right now to disprove some of what was said in the paper.

I will ask her another question. Does she agree with the Member for Gladstone that soon people will be striking for the right to work rather than striking in order to advance their working conditions?

Does the Minister agree with the Member for Rock Lake that the issue of the minimum wage is a minute situation? Those are his words "a minute situation", and in that respect I would assume that he means of little significance.

MRS. PRICE: My colleagues are free to make any statements that they wish to make and I do not have to make a comparison with my thinking versus their thinking, and I am not going to.

MR. COWAN: Thank you, Madam Minister and Mr. Chairman. The reason that I am bringing this up is that your colleagues have been quite vocal this evening in respect to these and they have

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clouded the issue with their comments and if you do not agree with many of their comments, then I think that you should take this opportunity at this time to say, "I do not agree with those," to disassociate yourself from those comments. Because if left on the record and if we are not certain as to how you feel on those, then your job, Madam Minister, is going to be far more difficult than it should be in the coming years.

Does the Minister agree that in the instance where a family head, man or woman, cannot subsist above the poverty line on minimum wage that the state should step in with assistance as put forth by the Member for Rock Lake?

MR. CHAIRMAN: The Minister.

MRS. PRICE: I think anybody that is below the poverty level needs assistance of some sort and I'm not one that is going to stand by and see somebody starve to death, and I think the Member for Churchill knows better than that. But in the last four and a half hours I think I have made myself quite clear on what my stand is.

MR. COWAN: Thank you, Mr. Chairman. In the last two and a half hours her colleagues have made themselves quite clear in what their stand is and I am asking the Minister now to take the opportunity to make herself quite clear on what her stand is, so that the people of Manitoba are not confused as to how she feels on many of the statements made by her colleagues.

Now, does she agree that a family head working for the minimum wage would be subsisting below the poverty line if that person had a family of, say, four children or three children?

MRS. PRICE: I would imagine they would be living below the poverty line but, as I say, there would be assistance somewhere in that respect. But I am not responsible for any statements my colleagues make, nor all your colleagues that spoke tonight certainly didn't speak in the same vein. And I don't think you are responsible . . .

MR. COWAN: Are you disassociating . . . ?

MRS. PRICE: No, I am not disassociating myself. This is a democratic province that we are living in and everybody is entitled to make any speech that they so desire, without my being their maternal overseer.

MR. CHAIRMAN: The Member for Logan, on a point of order.

MR. JENKINS: Mr. Chairman, on a point of order, the Honourable Member for St. James is casting aspersions on the Honourable Member for Churchill, who I understand is a Canadian citizen, he has his citizenship papers —(Interjection)— All right, nevertheless the Minister introduced into this debate this afternoon the fact that North Dakota is paying less money for a minimum wage than they are in Manitoba. Now if you want to talk about here, there and everywhere, and members on that side of the House had done so this evening, then fine and dandy, we'll have a wide-ranging debate, we'll debate everything from the price of tea in China to the price of cheese in Denmark, if you want to.

MR. CHAIRMAN: To the members of the committee. . .

MR. JENKINS: I think that the honourable member is casting aspersions on the character of the honourable Member for Churchill and I think he should . . .

MR. MINAKER: Well, you have to live around here for a little while to realize the situation, that's all I'm saying.

MR. JENKINS: He's lived here long enough to become a citizen of this country and I resent the remarks, it's not the first time that it's come out in this House, and I think that this member is as entitled, he's here by the right, God-given right of the people of Churchill constituency who elected him here and he's there as their representative.

MR. CHAIRMAN: The Member for Logan said that the Member for St. James said something about province and state, now the Member for Logan obviously is reading into the Meer for St. James comments something further and above what the Member for St. James is trying to lead the rest of us to believe he said. He did not say anything about citizenship as far as I'm concerned. The Member for Logan perhaps is reading in the word citizenship as he had mentioned in his statement.

I can't ask the Member for St. James to do anything about citizenship because he said the word state and province, and you in your reply to me, the Member n, for Loga said that this afternoon we spoke about Minnesota, North Dakota and other places and I can't ask the Member for St. James to withdraw "state" and " province" from his comments.

MR. JENKINS: Well, Mr. Chairman, it's not the first time that the remarks, and there's one member there who constantly does it, the Honourable Member for Roblin . . . and I think that it's damn well time that it was stopped. Either you stop it, or you raise it as a point of privilege in this damn House.

MR. CHAIRMAN: To the Member for Logan and all members of committee, I can't really do much about it as far as it stands this evening because I did hear the comments of the Member for St. James, you put them on record and I don't think that I can ask him to withdraw anything. What you or I might be reading into it between the lines is quite different than what he said. The Member for St. James and then the Member for Lac du Bonnet.

MR. MINAKER: Mr. Chairman, on personal privilege. Yes, earlier in the evening the Honourable Member for Kildonan said that I made statements as a high school type of individual, I didn't take him to task on that, that was his matter of opinion. I have made a statement that we're not living in a state, we're living in a province and that's a matter of opinion. I respect that the Honourable Member for Logan has taken me to task, but I don't think it requires any apology. I didn't ask the Honourable Member for Kildonan to make an apology when he said I made high school statements, so I'd just drop it as that. —(Interjection)— It's a matter of opinion, and I don't think I was guilty of making any statement, high school or otherwise, that was my opinion and the honourable Member for Kildonan reacted accordingly so I respected him for his opinion, so I don't think there's any apology required.

MR. CHAIRMAN: The Member for Lac du Bonnet, then the Member for Churchill on a point of procedure or point of order.

MR. USKIW: Mr. Chairman, I'm certain that the Member for St. James doesn't want to leave this issue unresolved. I'm sure he didn't intend anything demeaning to the Member for Churchill, but he did leave the impression that there was something lacking in the member's qualifications with respect to his residence or credentials . Oh, yes, the inference was there, Mr. Chairman, and I don't believe that the Member for St. James wants to leave that impression. I don't believe the Member for St. James wishes to leave that impression and I think he should be allowed an opportunity to clear the air.

MR. CHAIRMAN: The Member for Churchill on the same point.

MR. COWAN: Mr. Chairman, I would like to clear the air. I would agree with the Member for St. James, I realize that we are living in a province and not a state and I for one as I'm sure all members of this table are proud to be living in a province and not a state, and I made that choice and I'm proud of the choice I've made and I will take him at his word that he did not cast any slurs in that statement. If that will settle the matter, I can proceed with the questioning.

MR. CHAIRMAN: There have been three other persons that have waved their hands that they'd like to get into this point of privilege, point of order, whatever you might want to call it, that being the Members for Pembina, Rock Lake and Selkirk. Are you people satisfied that the statement by the Member for Churchill should clear the air, or do you want to continue on? All right, the Member for Churchill is the next person on my list as a speaker to the Estimates on the Department of Labour.

MR. COWAN: Thank you, Mr. Chairman, and I also take this opportunity to thank my colleagues for their support, it was well appreciated.

I would ask the Minister, she just mentioned that she feels that if a person were living on a minimum wage and the head of the family and could not support their family above the poverty line, that there should be some assistance. I would ask the Minister what kind of assistance is available to those persons?

MRS. PRICE: I think there's welfare assistance available, I don't think there's anybody that has been allowed to starve to death in Manitoa while I sympathize with some of the really outreaching cases such as the Member for Selkirk mentioned, I do feel that there is some assistance available

for anybody who is in those dire straights.

MR. COWAN: Is the Minister saying that in this particular instance that welfare is preferable to increasing the minimum wage so as that person would not have to subsist below the poverty line?

MRS. PRICE: It's not a matter of making a comparison of which is preferable, the idea is to get our economy back on a keel so we can improve the situation in Manitoba.

MR. COWAN: To continue then to try to clear the air, Mr. Chairman, of statements made by her colleagues, and I would ask the Minister if she agrees with the Member for Wolsely and I'm using his words that "fat-cat" union leaders are responsible for causing strikes and misleading the workers.

MRS. PRICE: I'm not going to comment on any of the statements that my colleagues made. It's a democratic world that we're living in and they're free to make any statements they so desire, but I'm not accountable for them

MR. COWAN: Well, I'd ask the Honourable Minister, Mr. Chairman, then if she could give us her opinion on that statement?

MRS. PRICE: I don't care to give my opinion on that statement. One of you asked me earlier and I think it was the Member for Churchill about the number of people on minimum wage who have more than one source of income. Of the 36 ½ percent who had more than one source of income it was distributed as follows: a single person had 14 ½ percent, a single head of a family 5.4 percent, couples without children 48.4 percent, couples with children 31.7 percent. These are all people that had secondary jobs in the home that were on minimum wage.

MR. WILSON: Mr. Chairman, on a point of personal privilege, I feel the Member for Churchill is engaging McCarthyism and that I suggested four or five or six problems that I felt in my own personal opinion contributed to some of the labour unrest in this province and I think it's unfair to take one line and to sort of put brackets around it and ask for an opinion from the Minister.

MR. CHAIRMAN: Well to the Member for Wolsely, I would only say as Chairman that the Minister has said that she is not prepared to answer in respect to comments made such as those and as far as I'm concerned it's an . . .

MR. COWAN: Thank you, Mr. Chairman, I would assure the Member for Wolsely that I'm not going to take just one item, that I will take another item also, so if that makes him feel any more comfortable and it's an item that I think the Minister will find some interest in. I would hope that at this point or this juncture she would give us some comment on it because it is something that she has seemed to imply that she's interested in, and the question then to the Minister is does she agree with the tip-credit system, a system as explained previously in the evening by the Member for Wolsely as an answer to perhaps increasing the minimum wage, as an alternative to increasing the minimum wage in the restaurant businesses.

MRS. PRICE: Well, I don't think that this province is ready to go onto that level right now. I think the tipping is not as generous in Manitoba as it is in points across the line. They seem to be more educated to that and as such they are able to earn a very fine living. But I'm afraid that I wouldn't want to see it happening right at this particular time in Manitoba.

MR. COWAN: Thank you Madam Minister. Mr. Chairman, I would ask the Minister then, she says she does not see it as an alternative right at the moment. Is she inclined that it may be an alternative in the near future or in the far future?

MRS. PRICE: I'm not implying anything.

MR. COWAN: Does the Minister agree with the Member for Rock Lake in that does she think that two day maternity leave for the father — and I'm quoting the Member for Rock Lake — that two day maternity leave for the father is a ludicrous suggestion?

MRS. PRICE: I had three children and my husband didn't get two days off at any time.

MR. COWAN: Then I can assume that the Minister says she is in agreement with that statement?

MRS. PRICE: I'm just making a statement that I managed to get along, have three children and it's up to individuals who . . .

MR. COWAN: I would like to get a more definitive opinion from the Minister, is she opposed to that idea?

MRS. PRICE: I would think that in this day when we're trying to get jobs for people and to improve the economy, I think that point could be one that could be left out of their bargaining.

MR. COWAN: Well, I thank the Minister for what answers she did give me, Mr. Chairman. I'd like to just refer to a few remarks the Minister made earlier in the day and that have been made during the course of this discussion this evening too, and that's about the philosophical difference between the Conservative Party and the New Democratic Party and that philosophical difference, Mr. Chairman, manifests itself in a perceptual difference also. We are different philosophies so we perceive things differently. The Minister said this afternoon, if there were no businesses, there would be no work for the workers and that is her perception of the situation and I do not begrudge the Minister that perception I would like to acquaint and briefly, because the hour is late, I would like to acquaint the Minister with my own perception because it alters substantially with the perception of the Minister and my perception, Mr. Chairman, is that if there were no workers, there would be no business. You see, Mr. Chairman, to my way of thinking, the workers produce the wealth. The difference between their wages, that which they are paid for producing items and commodities and the selling price of that commodity is commonly referred to as a profit when one takes away the overhead costs. That profit, Mr. Chairman, is the wealth of a few, the great wealth of a few. The Minister's own philosophy confirms and the members opposite this evening have confirmed that without the workers there would be no wealth, because they have shown great concern for the fact that there are work stoppages and strikes in the Province of Manitoba. The Minister herself has said that if the workers stopped working long enough to have a drastic impact on the economy, safety or health, economy safety and perhaps one other item — the Minister can correct me — if the workers stopped working long enough, that the government would be forced to legislate them back to work because when the work stops, Mr. Chairman, when the workers for whatever reason do not work, whether it be unemployment, whether it be labour strife, whether it be for their own personal reasons, when they do not work there is no wealth produced, there is no wealth created. But by wealth we typically talk of profit, but there is another type of wealth that enters our system, Mr. Chairman, and that is the wealth that is returned to the workers, the wages, because that is wealth to them although it may not be as great in individual cases as the wealth that is returned to the owners of the capital, the owners of the business, it is wealth to them nonetheless, as meagre as it may be in the case of the minimum wage.

So, there are two types of wealth produced by workers. There is wage wealth, there is profit wealth and the Minister I'm sure agrees with that. She says that if we increase the minimum wage, or she implies and she can correct me if I'm wrong, then without an increase, a corresponding increase in the prices, that profits will decrease. She does not correct me, so I'll proceed from that basis. And for her own reasons, her own personal reasons — and again I do not begrudge them, they may be philosophical, they may be personal — but for her own reasons, she wants to protect the profits and she wants to protect the profits at the expense of those on minimum wage, on those weakest, on those most unable to defend themselves.

And as an opposition, and I hope I'm speaking for my colleagues here, we are asking her to use her ministerial office, the Department of Labour, to protect labour and leave the protecting of the businesses to the Minister responsible for Industry and Commerce, to protect labour because that protection is needed. Labour needs Norma Price; labour needs the Minister of Labour. If she abrogates her responsibility to them so that she can protect profits, then she is doing not only disservice to her province, but she is doing a disservice to her government and a disservice to the people of this province.

Minimum wage earners are the least protected . . .

MR. CHAIRMAN: The Minister.

MRS. PRICE: I would like to interject for a moment if I may. I think there is a little mistake in thought of what the Department of Labour is. It is not only for labour; it for labour relations, which takes in both labour and management.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: I stand corrected by the Minister and that it does apply to both labour and management equally, on an equal basis and that is, as Opposition, what we are asking her to do, to apply her . . .

MR. PAWLEY: Mr. Chairman, on a point of order, I'm unable to hear; there are so many comments across the table that it is very difficult to hear the interesting remarks by the Member for Churchill.

MR. CHAIRMAN: I would ask the members again if they would try to keep the conversations between themselves down to a dull roar. The Member for Churchill.

MR. COWAN: Thank you, the Member for Selkirk, and the Chairman, and thank you, Madam Minister, for your correction. Equally, I add.

But to get back to the problem' and there is a problem, with the minimum wage situation as it currently exists, minimum wage earners are, by definition almost, the least protected because once a person joins a union, which is one form of protection, or an association, which is one form of protection, or bands together, then they invariably — one of the first progres made by that union or association is to increase their wage above the minimum wage. So we are left with people who are unorganized, unprotected on minimum wage.

To date, each and every argument, every last presentation and each statement by the Minister in regard to minimum wage has returned to the simplistic notion of competitiveness. Raise the minimum wage and you are going to increase the unemployment; decrease the business coming into the povince; decrease business expanding in the province. But she cannot defend those arguments with hard cold facts and we have asked her to show us some relationship, to inform us, to educate us as to the facts behind her arguments and she has yet to do it. —(Interjection)— The Member for Wolseley says he can do it. Well, I wish the Member for Wolseley would pass the information then on to the Minister so that the Minister can do it.

In her opening remarks, the Minister remarked about — and justifiably so — she was pleased about the reduction in work stoppages in the province in the year 1977 and I think that is a justifiable pleasure on her part, because I don't think anybody wants to see labour strife any more than working people themselves, than people I feel that this party represents.

I would ask her to what does she attribute that reduction in work stoppages, that reduction in labour strife in the Province of Manitoba during the year 1977?

MRS. PRICE: I think, for the Member for Churchill, that most of the success can be attributed to the AIB controls and I think a lot of the problems now of the striking is due to the AIB controls being lifted.

MR. COWAN: Thank you, Madam Minister. Mr. Chairman, is the Minister alarmed about a situation that was lucidly detailed by the Member for Inkster far better than I could, a situation of recent labour strife of undue proportion occurring right now in the Province of Manitoba? Is she concerned about that situation?

MRS. PRICE: I had mentioned earlier that the work stoppages and strikes were far greater in 1974 and 1975. In fact, I have got some figures here about work stoppages, and starting from 1968, the man days lost in 1968 were 13,900; in 1969 they were 11,000; in 1970 they were 54,000; 1971, 82,000; 1972, 53,000; 1973, 122,000; 1974, 143,000; 1975, 161,000 — do you want me to go on?

MR. COWAN: Please, continue, you're having fun.

MRS. PRICE: 1976, 98,000; and then this year it's 18,000. So it shows that it all hasn't started since last October 12.

MR. COWAN: As an interesting aside to the Minister, Mr. Chairman, and I appeal to your discretion, those figures are interesting. I would ask her, at any time, in any one year, did the number of work days lost to strikes exceed the number of work days lost to injuries and fatalities in the Province of Manitoba?

MRS. PRICE: I'm sorry, I was listening to the Member for Logan.

MR. COWAN: I would ask the Minister, and I repeat, at the discretion of the chairperson, I would ask the Minister if for any one year, or for the sum total of those years, did the number of work days lost because of fatalities and injuries in Manitoba's workplaces exceed the number of work days lost by strikes and labour strife?

MRS. PRICE: I don't know what the relationship is you are seeking when you ask about the man hours lost in the mining as compared to here. Incidentally, these figures that I'm reading are from Labour Canada.

MR. COWAN: Thank you, Madam Minister. Mr. Chairperson, the relationship will become more apparent as we proceed through the Estimates and specifically in Workplace Safety and Health. So I will leave that question for another time.

If the Minister is alarmed, and I agree that she should be alarmed by the statistics of the years that she mentioned, is she alarmed also by what is happening right now in Manitoba with the large number of strikes and the large number of workers we have out on strike right at this moment, presently? Is she alarmed about that; is she concerned?

MRS. PRICE: Of course I am concerned, the same as you are concerned, but I think that this collective bargaining, I have very great respect for it, and I believe that these people both have to show responsibility on both sides of the bargaining table and that it will solve their problems if they both have a responsible attitude.¹

MR. COWAN: Thank you, Mr. Chairman. Does the Minister have any contingency plans if these strikes should get to the situation where she feels that they are creating a drastic harm to the economy or the safety of the people of Manitoba?

MRS. PRICE: That is a hypothetical question that I don't intend to answer.

MR. COWAN: Mr. Chairperson, does the Minister believe that these strikes may become drastically detrimental to the economy of Manitoba?

MRS. PRICE: They are not at this point and anything referring to the future is hypothetical and I'm not about to be answering them.

MR. COWAN: I would just like to make one more brief comment, then, in response not so much to what the Minister said but in response to what one of the members of the government said — not one of the Ministers but one of the members — in remarking about the strike that was taking place in the construction industry. His question was: "Why now, after many many months of unemployment, why, after seven months of winter, in May, why is there a strike now? Why are those employees out on strike?" Well, I would like to, if I can, present my opinion. It is an opinion that I have discussed with many of those people who are out on strike, both leadership and rank and file, and it is an opinion that I cannot lay credit to but they have explained to me, because I was wondering the same thing, Mr. Chairperson. I asked them, "Why now, after many many months of winter, after 30, 40 and 50 percent unemployment, why now?" They explained it to me in this way, Mr. Chairperson. They said that because of that unemployment, the members of their unions, the members of the trade unions needed work badly. They wanted work badly and the Building Exchange, the employers, perceiving this as weakness, said this is a perfect time for us to ram through some very contentious issues. This is a perfect time for us to hit the trade union and construction industry, when they are at their weakest, when their members need the work the most.

So as the Member for Inkster stated, and far better than I can, I add again and I would like to repeat it, the employers are creating the strike in the construction industry because of a perception of theirs. They created the strike because of unemployment. The unemployment, Madam Minister, was not created by the workers because workers do not create unemployment. That is the last thing that workers want to create. They create wealth for others; they create wealth for themselves, but they do not create unemployment. It would be at cross purposes with their own goals —(Interjection)— Mr. Chairperson, because the Member for St. James is having some problem following my argument, I will explain it to him more specifically. —(Interjection)— I would ask the member, what did I say five minutes ago, in his opinion?

MR. MINAKER: You said that the workers created the business . . .

MR. CHAIRMAN: The Chair is recognizing the Member for Churchill.

MR. COWAN: I just wanted to clarify that.

MR. CHAIRMAN: The Member for Churchill is directing his remarks through the Chair to the Minister, not to the Member for St. James.

MR. COWAN: My apologies to the Chair; I just wanted to . . .

MR. MINAKER: My apologies to the Chair, too, Mr. Chairman.

MR. COWAN: . . . find out what in specific what the question was from the Member for St. James and I should have gone through you, Mr. Chairperson, I am sorry.

The question seems to be that five minutes ago I said that the workers created the business. Now I am saying the workers don't create unemployment. I do not see any problem in the logic of that argument. The workers do not create unemployment and the unemployment that was created was used — or is trying to be used — by the Building Exchange, by the employers, as an opportunity to drive through contentious removal of the name hire from the contract, and contentious putting in of compulsory overtime into the contract. That is why the strike is now, not because the workers want it. They do not want it. After seven months of unemployment, the last thing the construction industry workers want in this province is a strike. Excuse me, the next to last thing they want. The last thing they want is to see their rights go down the drain because they cannot put forth the militancy that is needed and they are putting forth the militancy that is needed and I commend them on that.

MR. CHAIRMAN: The Member for Pembina, the Minister responsible for Housing, the Member for Lac du Bonnet, and the Member for St. James.

MR. ORCHARD: Thank you, Mr. Chairperson.

MR. CHAIRMAN: I would just say to the Member for Pembina that I never thought that I would ever get around to June 6 and be known as a chairperson, but there is always the first.

MR. ORCHARD: I think this evening has been a most fruitful evening. —(Interjection)— I'll bow to my colleague's humour. Tonight we have heard an expression from the Member for Inkster and the Member for Logan, sorry, I apologize — that basically strikes are legitimate because they are an atter for the unionized workers to charge what they think they are worth, and that is a legitimate reason to go on strike. I didn't hear any wails of disagreement from members opposite so I have to assume that even the Member for Selkirk would agree with that, and the Member for Lac du Bonnet, and I don't know about the Member for Ste. Rose.

But at any rate, we've got pretty well unanimous decision by members opposite that strikes are quite all right because they allow members of unions to charge whatever they can; charge what the market will bear, okay. Well, I think that is tremendous that we get that kind of an admission from members opposite that a person should be able to charge whatever he can, and wherever he can, because from now on, I hope that we don't hear members opposite with great hews and cries and wails of indignation when the price of milk goes up three cents a litre because a farmer happens to think he needs more money. I don't want to hear any wails of discontent and cries when the price of beef goes up across the counter because the beef producers, after three and a half years of losing money, all of a sudden get into a profit position. I am very glad that the members opposite have agreed that a person should charge what the market will bear. They should go on strike if they have to, to get it. I think that is a fantastic revelation because now we have essentially eliminated any hollering from the Opposition as far as the food price index goes and when prices of food go up because the producers need more returns, because every other cost has increased to them, that it will be accepted by the members opposite as farm producers demanding more from the marketplace, and I think they can't get along with it.

But I think they must have one . . .

MR. CHAIRMAN: I might tell the Member for Pembina that we finished the Department of Agriculture Estimates some months ago and we are on Labour. Please mention the word "labour" in at least every second sentence.

MR. ORCHARD: Thank you, Mr. Chairman. Inasfar as the Department of Labour goes, I think that our members opposite, after their statement that labour unions have the right to strike and raise their wages and become better labour in the province — is that often enough?

MR. CHAIRMAN: Yes.

MR. ORCHARD: . . . that they should be able to go on strike to raise their wages and that that is good. I think that they must have a great amount of difficulty, then, agreeing with the whole labour union concept. If a person should be able to charge what he is worth and demand more from the marketplace, then why is it that a union contract says you get paid \$7.00 an hour whether you do a nit of work or whether you are the hardest-working man on the site. You cannot get more money when you are under a labour union contract if you are a better performer than the next person. I can't understand how the Member for Inkster can say, "Well, strikes are great because a person should be able to charge what he is worth." The whole labour union movement destroys the very concept of a person working harder and getting paid more. Members opposite have said they agree with charging what you want, what you can get out of the market, but yet . . .

MR. CHAIRMAN: Order. The Member for Logan.

MR. JENKINS: Mr. Chairman, on a point of order, I listened very carefully to the Member for Inkster and he had said at no time that strikes are great. I spoke this evening and I didn't say that strikes were great. I agree that the honourable member can interpret what he likes but I want to set the record straight. The Honourable Member for Inkster did not say that strikes were great, and neither did I.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Mr. Chairman, I will accept the Member for Logan's correction that the Member for Inkster said that strikes were great. I believe what he said is that in the course of the bargaining process, if a person has to strike to get more wages, which he deserves, then that's all right to do. Would that be a better way to put it, that if he can't get it any other way, he should go on strike to gain more money if he thinks he deserves it? Okay. And the employer can lock them out if they don't want . . .

I can't understand where members opposite then, in the labour union movement where they think that a person should be able to demand more if he is worth more, can accept the concept of universal pay for, as I quote my colleague from Gladstone, where the drones get paid as much as the hard-working people. That is not a concept which is in agreement with what we have heard tonight, that you should be able to charge what you deserve, or what you think you deserve and what you think you can earn. If you can earn more, you get more. Well, that isn't the union concept; everybody gets the same. I know this is fact because I have had people in the labour movement, when I lived in Edmonton, point out — a chap was a pipefitter and he went from a scab job, and I think "scab" was adequately described by the Member for Inkster — he went from a scab outfit, a non-union outfit, and he went to the oil patch and he started to work for a unionized company, for a unionized contract. He went into this job site after developing work habits in a non-union shop and when he started to work, within six hours of the first day the rest of his unionized workers, his fellow employees, said, "Say, fellow, you better slow down, you're working too fast. We don't work that hard around here, we're union now." And he slowed down. He worked at roughly one-third to one-half the pace he was used to working in a non-union shop, after he joined a union shop. He accepted that type of discrimination as to his work ability because no matter how hard he worked in that union shop, he got paid the same as the guy who sat on his rear end for coffee breaks.

That is against, diametrically against the position that you people, you ND members, have put out tonight, that you should be able to charge what you are worth. In the union you can't do that. So everybody does the same amount of work and there is nobody — there is no reward for excelling, for working harder. You don't get paid a damn cent more. And that is discrimination against individual workers.

Now, the Member for Logan, he mentioned, when he was in some position and democratically was appointed Chairman of a meeting because the president said "You be the Chairman." The democratic function of the union put him in as chairman that night and he indicated — and I would just like him to correct this — did you say that your union would probably have represented 3,000 to 4,000 people?

MR. JENKINS: I said it was a joint meeting of three or four locals, four locals.

MR. ORCHARD: And how many people?

MR. JENKINS: Roughly 4,000 people.

MR. ORCHARD: Roughly 4,000 people. He said also that in that particular meeting — it was an important meeting — he had an excellent turnout. He had 1,200 as a turnout. Was that not correct?

MR. JENKINS: Right.

MR. ORCHARD: And that was an exceptional turnout, if I can use the member's words. What he said also, the Member for Logan, was that the people who go to these meetings, the rank and file of the union, push the labour union management around, the president, the director, the secretary. They push them; they push them harder. What the Member for Gladstone, what the Member for Rock Lake said here earlier tonight is that the vast majority of the union people probably don't want to go on strike and they are being forced to accept something that was not in their best interests and they did not want. And there the Member for Logan has said it, an excellent turnout of 4,000 union members was 1,200. The silent majority stayed at home and they probably didn't want to strike. That is exactly what the Member for Gladstone said earlier on and the members opposite, "Oh, no, that's not right. Every union wants the same thing. Every union member." And we have got 2,800 members of that particular meeting the Member for Logan referred to staying at home and not voting and he claims that that is the representation of the majority of the union? Balderdash.

MR. CHAIRMAN: The Member for Logan on a point of order.

MR. JENKINS: Mr. Chairman, on a point of order, the honourable member stated that at that union people were voting and I did not at any time say that. It was a meeting there to explain the wage negotiations as they had proceeded, and nothing else.

MR. CHAIRMAN: The Member for Pembina, carry on.

MR. ORCHARD: The Member for Logan indicated that a 1,200 member turnout was fantastic out of a turnout of 4,000 and I maintain the silent majority were not there and probably the silent majority were in agreement with the statements made by the Member for Gladstone that the majority of labour union people, the rank and file in the labour unions, do not want to go on strike and they are being pushed around by — I'll quote my Member for Wolseley — by some type of labour union boss who is throwing their weight around, the fat-cat labour union bosses.

Now, I want to just deal with one area in the Department of Labour Estimates, Mr. Chairman.
—(Interjections)—

MR. CHAIRMAN: The Member for Pembina has the floor.

MR. ORCHARD: The Member for Churchill made a very interesting philosophical contribution tonight to the concept that . . . He criticized the Minister, I believe, or maybe didn't criticize her, but he said that the Minister said if there were no businesses, there would be no jobs. And the Member for Churchill says, aha, it's the other way around, if there were no jobs, there would be no business. —(Interjection)— No, that's what you said was your theory, if there were no jobs . . . His perception is that if there were no jobs, then there would be no business. —(Interjection)— No workers, sorry, there would be no businesses.

You know, the Member for Churchill presents a very interesting concept there and he said that the wages are their profits, meaning the workers, the wages are their profits in the business and the management in the business, the owners of the business, reap huge profits while the workers make their pittance and create the wealth.

Okay, what has happened historically in the industrialized nations of this country? Today we are going through perhaps probably the highest level of unemployment that we have had in this country since the Thirties. I don't think anybody can argue with that. And what has happened? It is because — and these are my feelings on it and I would like to put them down on the record — it is because when a management who has an investment in a business, has to make a decision as to how they are going to increase production in that business, and they are faced with labour which is demanding more and more money for the services they perform and, I don't think it is an unfair criticism to say that in most union contracts when they demand more money they also demand the right to do less work, shorter hours, or less work, less piecework, it's generally in the negotiating contract. So eventually you force the management of that company, the investors in that company to say, "Whoa, I can do this cheaper with a machine," and that is what is happening in Canada, North America, West Germany, the machine is replacing the high priced labour because they're more

they are staying on the jobs and it's easier to make the dollar from the machine, to survive in the competitive market and I only have to point as a prime example to that particular situation, I point to agriculture as the prime example.

We don't have to go back 60 years ago, not 60 years ago and what was the population in Canada, what was the population breakdown. In Western Canada we had probably 35 to 40 percent of our population in actual agricultural primary production farmers. . What do we have today? We have 10 to 15 percent ball-park figure.

Now, what has happened, what has happened in agriculture as the prime example of the trend that has happened in all industries, what has happened is that jobs, men are being replaced by ever larger machines because the machine is more reliable, it can do the job more efficiently . What you are finding is more and more farms increasing in size and staying with the same labour force and staying with a single management unit — one person running it. A farm that took five families to run before, one person can run it by himself and why? Because of mechanization, because labour priced itself out of the market. And the Member for Churchill in discussing labour says that if there are no workers there are no business. What he fails to realize is that the person who owns the business is working in that business in a management capacity, and he also has every dollar, probably most of his dollars invested in that business through machinery, land, buildings. He's got the total investment. And what is happening in the majority of times is that it eventually gets to a stage where no longer does the manager-owner, the investor of the company receive from the operation of that company, enough money to pay himself a decent wage, plus a return on the investment for the plant, the buildings, the machinery, the land that he has invested. And why? Because quite often the labour has increased their demands to such a stage that something has to go and hence we get mechanization and it's happened in every industry in this county. It's happening today and it will continue to happen because mechanism will replace the undue demands of labour.

I don't necessarily say it's right, but I'm saying it's a fact, it's a fact of life that gentlemen opposite refuse to accept. —(Interjection)— Gentlemen opposite with the exception of the Member for Emerson. To get back down to minimum wage discussions in the Department of Labour Estimates I would like to relate an incident which happened this spring in my home town of Miami. My neighbour who farms a reasonable —(Interjection)— sorry, I'll be very brief. A neighbour of mine who farms a reasonable sized acreage and depends on short-term labour in the spring had the need of one more man this spring. Now, we have in this province and I think the Meer for Selkirk said it and several members from the ND Party said it that we have the most massive unemployment that this province has seen in years and years and years, and that neighbour of mine tried to hire somebody to drive an air-conditioned tractor and do you know what the answer of several people that he asked that lived in Miami to drive that air-conditioned tractor, "Oh, we'd love to work for you, but you know, if we work, we get cut off our unemployment benefits for awhile and we'd just rather farm them out and then we'll get a job to get reinstated again."

So, the question of whether the minimum wage should go up is much more complex than relating it to the cost of living. Let's take a look at all the reasons for unemployment and let's talk about unemployment insurance. Let's talk about the increase in benefits of unemployment insurance before we cut and dry it and say that when the cost of living goes up, minimum wage should go up, it's not that simple. And that example of my neighbour at home trying to get a man to run a tractor for two months this summer in an air-conditioned cab is not untypical of a lot of examples of farm people, farmers in this province who have tried to hire short-term labour and they cannot get it, they cannot get it . A prime example goes right out to Portage la Prairie with the stoop labour required in the vegetable industry. You cannot get anybody. Very few people in this province will work at stoop labour in agriculture, you have to import Mexicans who still pride themselves in working.

So, Mr. Chairman, with those few remarks, I'll back off. Thank you.

MR. CHAIRMAN: I have four speakers on the list. The Minister responsible for Housing, the Member for Lac du Bonnet, the Meer for St. James and the Member for St. Vital. The Minister responsible for Housing.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Well, Mr. Chairman, there's been a lot of talk tonight about profit in companies and minimum wage. There's no question in my mind that everybody around the table including the honourable gentlemen opposite believe that profit is a logical thing, but I at times have trouble believing that, but tonight they have basically said that everybody has a right to a profit whether it be salary or a profit whether it's in business or otherwise, and that profit is what usually is taken because of a very large investment in business or a small investment.

Mr. Chairman, the big problem that we have with the minimum wage in Manitoba is that we are one of the higher ones and the government policy as the Minister has said is to try and keep the province competitive with other provinces, and it is not the policy of the government at the

present time to raise the minimum wage. Now, why? Mr. Chairman, the fact of the matter is that if a person is in business and he finds that even selling at the market as my honourable friend from Pembina says, the going price, he's selling the product at that and still losing money, and he has to sell at that price because he's got opposition from other areas that's wacking the daylight out of him, and this usually happens in small business. You don't usually hurt the big businessman, nobody around this table or this government is going to hurt the large corporation.

So, Mr. Chairman, the whole thing boils down to the fact that if the man finds that he is not competitive, he finds that his profit picture is such that he's not able to take care of the responsibilities that he has because of his investment, he's going to drop people, he's not going to hire them, and the minimum wage people are people that do, many of them are the extra-job people, they are in drug stores, they're in hot dog stands, they're in service stations and that's most of the areas, there are some exceptions to that. So he just says well I have to drop that person and I can't give that service and then we have somebody unemployed. That's really the reason why the government is taking a look at the fact that the minimum wage in Manitoba is competitive if not higher than most at the present time and I don't think that has to be repeated again. The Minister has stated it.

But, Mr. Chairman, let's talk about philosophy. The members on the other side have been saying do you agree with this and do you agree with that. I would like to know if they agree with this. March 1st, 1973, Mr. Gonick, the Member for Crescentwood, was speaking.

"It is only the small business that fear this government, because the small businesses are afraid of the increased minimum wages that we are legislating. So it is these small businesses that are being squeezed by social democratic governments while large corporations prosper, and that is one of the paradoxes of social democracy."

I would ask the honourable members opposite if they agree with that statement. I would ask the honourable members opposite, by pushing and shoving and having the minimum wage be increased when we are more than competitive in Manitoba, if you are not harming the small businessman. And tell me, do you agree with the philosophy of the colleague, the Member for Crescentwood? I would like the answer to that.

A MEMBER: The then member.

MRS. PRICE: The former member.

MR. CHAIRMAN: The Member for Lac du Bonnet is next.

MR. USKIW: Mr. Chairman, we welcome the interjection of the Minister in charge of Housing. He wants to get into the field of philosophy.

MR. JOHNSTON: Mr. Chairman, on a point of order. The member has just stated, and I'd like to make it clear, I did not start the philosophy discussion, it started on the other side of the table. It was continued on this side of the table, and it was there. So if the member says I started it I'd like that corrected.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, the Minister in charge of Housing in Manitoba tried to impress the committee with the argument that profit is derived from investment when, in fact, all wealth is created by labour. That is the basis of all wealth, there is no other basis for wealth.

Mr. Chairman, the record will show that the Minister in charge of Housing said that profit emanates from investment.

MR. JOHNSTON: The record will show what I said. The interpretation that the member puts on it I don't care what he does.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Surely you would agree that that is not a point of order that the Member for Sturgeon Creek is introducing into the discussion. Twice now he has interrupted on points of order which are not points of order; they are points of argument.

MR. JOHNSTON: Well, Mr. Chairman, I will take your advice, not the Member for Selkirk. Thank you.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I am merely repeating what the member himself has said and he will have an opportunity to read Hansard tomorrow and you will find that I am correct.

The Member for Pembina went on for some period of time on the question of undue demands of labour and he suggested that there was some question as to labour's rights to make demands. I raise with him a very important question in that connection and that is that we are talking about a situation where labour is employed for the purpose of production, but also for the purpose of creating a profit for the employer of labour. Now, one has to raise the question of undue demands because if labour is making undue demands when it looks at the profit position of the company then what are proper demands? After all, it is their wealth that has generated that profit. It is their production that has generated that wealth for the employer. Without the input of labour, the employer would not be in that profit position.

So the Member for Pembina is suggesting somehow that there is something terribly wrong about labour demanding a share of their own creation, their own wealth. In fact, the question can be properly put that they should even be sharing it, perhaps they should be part and parcel of the company.

Mr. Chairman, the Member for Logan has just passed on a bit of information for me that Safeway of Canada had a 61 percent increase in profit last year over the previous year. Now, Mr. Chairman, if you take that as an example, what is the right of labour? What is the right of labour?

MR. CHAIRMAN: Order please. The Member for Minnedosa.

MR. BLAKE: Mr. Chairman, on a point of order, please. The Minister is throwing out figures there that are absolutely ridiculous and that's a distortion of the facts here. The Member for Lac du Bonnet, if he is going to throw out figures like that that they made a 61 percent increase, I would like to know what the figures were. Maybe they lost \$30 million last year and they made \$1 million this year; there is a 61 percent increase.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, surely you have a responsibility to maintain order. If the Member for Minnedosa wishes to involve himself in the discussion, rather than try to intervene and to improperly, I suggest, call a point of order. Mr. Chairman, surely the Member for Minnedosa and the Member for Sturgeon Creek ought to place themselves on the list like every other member around this committee. —(Interjection)—

MR. CHAIRMAN: Order, order. I must say that until I have heard the particular member's point of order how can I rule on it? In 95 percent of the cases they have got what they wanted to say out on a point of order and it isn't really a point of order. But what can the Chairman do, once they have . . . ? The Member for Pembina, on a point of order.

MR. ORCHARD: Mr. Chairman, I am not positive as to whether I have a point of order and I will follow your guidance. The facts that the Member for Lac du Bonnet is going to put on the record are incomplete facts because two years ago Safeway had a \$10 million loss . . .

MR. CHAIRMAN: Order, order. That's not a point of order. That is a disagreement between two members as to what is fact and what isn't fact. The Member for Lac du Bonnet has the floor. Would you please carry on.

MR. USKIW: Mr. Chairman, the Member for Pembina did not wish to wait until I revealed the information that I have in that connection. I had indicated an increase of 61 percent in their profit picture last year over the previous year. They did have a \$10 million loss in 1976. They ended up with a \$43 million profit in 1977. Now, that's a substantial turn around in one year for Canada Safeway. All of that turn around was generated by the efforts of all of the employees of that company, it wasn't generated by one person. It was all of the efforts of all of the staff in Canada Safeway that created \$43 million of new found wealth in 1977 for Canada Safeway.\$

Now, by what logic does the Member for Pembina suggest that the people who have created that additional wealth are somehow wrong — and he used the terms undue demands — in asking for an improvement in their working conditions? It is they who have generated that wealth. It belongs to them — a good portion of it. The other alternative is that they should be shareholders of the company because of their efforts through their labour, so that they could share in their own productivity.

Tuesday, June 6, 1978

So when you are talking about undue demands, Mr. Chairman, I ask the Member for Pembina, by what right would he assume to expect labour to generate wealth for him without some degree of reciprocity for those efforts? By what right does he even expect them to generate wealth for him at all? That is, I think, a relevant question. But to argue the point of labour having the right to ask for increases in wages and standard of living based on their own production, that's insanity, Mr. Chairman. It is their production that has created the new found wealth and they full legal right, moral right, every right to make demands upon that new found wealth that they have created. That is the logical labour demands, Mr. Chairman. If the company was in an opposite position, I could see that labour would have to restrain itself accordingly. —(Interjection)— Oh yes, that is reflected, Mr. Chairman, always reflected, Mr. Chairman.

Mr. Chairman, the Member for Pembina has to learn a little bit of logic in the relationship between workers and their employers, because he should know that one cannot operate without the other. In fact, labour might function without the employers, but the employer can never function without labour.

MR. CHAIRMAN: The Member for Pembina on a point of order.

MR. ORCHARD: I think this is a legitimate point of order, Mr. Chairman. I did not say that management could not operate without labour, I did not say that.

MR. USKIW: Of course not.

MR. ORCHARD: All right, but you alluded on the record that I said that that was not so.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I merely pointed out that labour could very well carry on without the employer, but the reverse is impossible, the reverse is impossible.

Now, what is the definition of undue demands. If in a given company they are enjoying a very good period, a high profit position, what is a just demand on the

The Member for Pembina did say, Mr. Chairman, that employers who did not have union labour were classified as scabs, and I'm only repeating what he said. That is not my interpretation of employers who are not union shops. I have never accused them of being scabs, but that is his definition. I leave that for a matter of record, he can check that in tomorrow's Hansard.

The member alluded to the ridiculous situation in his mind, at least, of 1,200 people making a decision which was not a majority trade union meeting. He talked about the silent majority. Mr. Chairman, those meetings as I understand them are conducted openly and democratically and people are not forced to participate. They are not forced to participate. But if you want to talk about the silent majority, then I suggest that he discuss matters with his colleague, the Minister of Agriculture, who is trying to bring in legislation, or has brought in legislation where he has very skimpy support. He has been unable to bring in any evidence of support. Mr. Chairman, he tried to hoodwink the Legislature with a stack of papers that he alluded to as letters, but which were not letters and the Member for Pembina, Mr. Chairman, suggests something to me about the silent majority. He has a lot to learn about the silent majority out there in the beef industry, Mr. Chairman.

Mr. Chairman, he also went on to talk about the inconsistency of New Democratic Party MLAs with respect to raising questions of on food prices and that we have no business raising questions of that kind given the fact that we believe in the market system and allowing trade unions to demand whatever the market will bear. So I simply point out to him for the record, Mr. Chairman, that the questions that were raised relative to food prices in the Legislature in the House, have to do with the fact that they were on the increase while the Minister of Labour was sitting on her fanny with respect to minimum wages, Mr. Chairman.

Mr. Chairman, that is essentially the context in which those questions were put, Mr. Chairman. That is the context in which those questions were put. The fact that there were increases in consumer prices, increases in food prices, and the Minister of Labour was not prepared to proceed on the question of minimum wages, and we're dealing there, Mr. Chairman, with a group of people who do not have any clout, such as those in the collective bargaining system, and therefore, it is incumbent on the government to deal with that particular group who has to depend on the role of government to protect their interests. I don't want to be the Chairman any more. So either find yourself another Chairman, or let's have some sense of order. If we're not going to make any progress, I don't want to be part of it and I see no point having members from one side of the table fight with members from the other. You know, we've been on these Estimates, we had two hours this afternoon, we are three hours and forty-five minutes into this evening and we haven't passed one single item. I don't think we're making any progress, perhaps the committee should rise. If we ever got back to the business

at hand and that is discussing the Minister's Estimates and quit fighting between philosophy of two different political parties, and I say the blame is on both sides, we might make some progress. The Member for Lac du Bonnet has the floor.

MR. USKIW: Mr. Chairman, I can assure you that if we received the kind of answers from any department that we receive from this one, or from this Minister, that it will be a long session, so don't anticipate quick passage of any of these items. We are not prepared to do that, Mr. Chairman. We are not going to take the kind of nonsense that has been presented here as a so-called statement of government policy without any answers with respect to questions of clarification. No policy decision, no policy on minimum wages, Mr. Chairman. We don't know what they intend to do. So yes, it's going to be a long session and I simply point that out, Mr. Chairman, so that you will be prepared to bear with us, because we are prepared to keep this thing going a long time. part of the workers of that company? Is it 50 percent of that new found wealth? Is it 25 percent? Is it 75? Is it 100? What is the sort of due, what is due to the work force in the opinion of the Member for Pembina? He seems to think these are undue demands. I would challenge him to create wealth with his own two hands, Mr. Chairman, and not rely on the employment of tens of thousands of people to do it for him. If he was able to do that, Mr. Chairman, then he wouldn't be in this awkward position that he is in here this evening. —(Interjection)— Well, Mr. Chairman, the member is in an awkward position because he called most of his employers in his constituency scabs. Something that we would not do, Mr. Chairman, something that we would not do. Mr. Chairman, if the member reads his own statement. . .

MR. CHAIRMAN: Would the members please let the Member for Lac du Bonnet finish his remarks.

MR. ORCHARD: Point of privilege, point of Privilege. . .

MR. USKIW: Check Hansard tomorrow, you'll find out. Well, Mr. Chairman the member . . .

MR. CHAIAN: The Member for Pembina on a point of privilege.

MR. ORCHARD: Thank you, Mr. Chairman. The Member for Lac du Bonnet has said that I have called most of the employers in my constituency scabs. The definition of a scab was a non-worker, non-union worker, not an employer.

MR. CHAIRMAN: I think we might as well have committee rise, we're not making any headway. —(Interjection)— Well let's have committee rise. Unless the committee is prepared to at least let one person speak, I am not prept was in that context that those questions were put.

So, Mr. Chairman, it had nothing to do whatever with collective bargaining, with industrial relations, it had to do with the responsibility of a Minister of the Crown, who was not acting responsibly, Mr. Chairman.

MR. MINAKER: Mr. Chairman, I wouldn't want to let it go on the record that the Honourable Member for Churchill indicated that if there wasn't workers there wouldn't be business. I'd like to point out to the Honourable Member for Churchill, and I hope that his colleagues will convey it to him, as well as the Honourable Member for Lac du Bonnet, that when you have one worker that works alone, you have an entrepreneur. So that when a person decides not to work alone and work for somebody else, then you have entrepreneurs employing workers. So that it's not a one-way street and I fully recognize this and I, as an employer, did not look at our workers, whether they are union or non-union, I look at them as part of our company, and I think that more and more companies are looking at it this way. In fact, my ambition is to do away with union bosses. That's my ambition as an employer that I hope that someday the working conditions will be such that we will not require union bosses and I honestly believe in that. In fact, our company has a profit-sharing basis because I think that's what is coming in the future and it is presently here with many companies, that employees who contribute to the profit should bloody well share in the profit. That's the way I believe, and it's coming. I can see down the road not too far in the future and I hope that our own company will be able to do this, that they will share in the capital growth of the company.

I know that many on the other side do not necessarily accept that with glee, but I don't believe that we need union bosses. I think the unions have served a purpose and served it well, but it has at times gone too far and I think that at the present time that they may have gone too far — not the unions but the union bosses— that we are in extreme times right now, not only here in Manitoba but in all of Canada and the western world. We have seen it happen in the United States where companies who are non-union are exceeding union companies, exceeding in terms of total sales

and total growth.

I have talked to people who are in the union, particularly the electrical union, who are fed up. They have said, "You know, we are ready to throw in the card."

I take objections to when — I don't know whether it was the Honourable Member for Lac du Bonnet or the Honourable Member for Churchill, that indicated that the construction industry was taking advantage of their employees, because I don't believe in that. The main issue right now is not necessarily wages, it's whether, in fact, somebody who wants to hire an electrician can say, "I'd like Mr. Barrow," or "I'd like Mr. Pawley." And no objections to Mr. Fox, but I might not like Mr. Fox to come and work for me. That might be discrimination but what we were talking about is productivity and that's the main issue that is presently before the Arbitrary Board. And I don't say that that's taking advantage of the union because we are in hard times and I think if you believe in the concept of profit-sharing, which will eventually come, I don't know how you can battle that issue.

What is happening with the union workers, those that are productive, that are out of work right now are saying, "You know, what's this all about? When I go down to the Union Hall I am hired but somebody down the road who is hired also, because he is on the seniority list is hired and I'm not hired and I'm producing. I don't like that, because I am subsidizing." That's what it boils down to in a gut issue. That's the key issue right now in this strike.

So I cannot accept what the Honourable Member for Lac du Bonnet or the Honourable Member for Churchill was trying to imply, that the industry was taking advantage of the unions because I don't believe they are. That's my personal opinion.

I don't believe that what the Honourable Member for Churchill said that if you are unorganized, you are unprotected because I believe that as individuals that you can create your own employment or you can work for somebody. And if you have the ability to work and create and be productive, you will earn a salary. There are many non-union shops that pay higher salaries than union shops. —(Interjection)— I agree with you 100 percent, Mr. Barrow, that the unions made this possible; I won't argue with that. But somewhere along the line because of the times we are in, there is only so far that we can go as either a union or as an employer.

I can tell you, Mr. Chairman, that when you accept a job for a fixed price, there is one thing you guarantee if you are a successful businessman or you want to be a successful businessman. First, you pay your employees. That's the first thing. And law protects the employees. They are paid first. Secondly, you pay your suppliers. Thirdly, you pay the tax to the Federal or Provincial Government and if there is anything left, there is something for the employer. I think most of the union workers recognize this and they recognize that if they don't want to work for themselves as entrepreneurs and they want to work for a company, they pitch in. There is no doubt about it. But there is only so far you can go. If there is only so many dollars to be had in the industry and you get the job for so many dollars, when the demands become more than what you can afford to pay then somebody has to yield and either the company goes out of business or the union or the employee decides, well, for the best interests of everybody, we have to work for a certain wage. And it has come to that point unfortunately for everybody.

I support the philosophy of what the unions have done for our workers. I have never ever looked at classification or class distinction, like some of our colleagues in the Legislature have. I have always thought that I represented all people in my constituency. I think the proudest moment that I had was when I knocked at the door of the President of the Union of the Public Works Association in St. James. He had been the president for many years and had my sign on the lawn. So that to me they are not union members, they are people in our constituency that we represent. And I think we all have one objective: It would be that we can employ people not on welfare, but employ people in productive work in Manitoba, and I don't think we can take class warfare into this table. We're talking about a very serious situation in our province today and also in Manitoba today, and that to try and imply that the employer is taking advantage of the employee I don't think is completely correct. I would think in instances, sure, it's true, and I agree with Mr. Barrow that the unions achieved many things for the workers, many things.

We're in a crossroads right now and the employers recognize this. As a young employer I recognize this and we recognized it that if you want to be successful we have to look at other things than just how many dollars per hour we get, or how many days off we get, but it's not just a one-way street, it becomes a two-way street if we want to share in the profits, and we found this in our employees that they'll work a little longer in the day. They'll maybe take a half an hour for a coffee break at one time but all of a sudden they'll work through part of their lunch hour. And this is what's happening with companies that are keeping going, that you just can't say that we're going to work from 8 to noon. We're going to stop and start at 12:30, we're going to stop at 4:30. If we work overtime we're going to get one and a half times and we're not going to work on Saturdays, that we're in a different ball game at the present time, and all of North America is in a different ball game and those companies that are surviving are recognizing this, and keep working or keep

going during the hard times, and I think the unions are recognizing this. The union members are recognizing this, but the union bosses aren't, and it's not the matter necessarily of the wage that's the problem right now, it's a matter of productivity. The individual members are recognizing this, in the majority of cases they are recognizing this and in many cases people that I've talked to in the industry are saying, I'm going to throw out the union shop. And I hope that doesn't happen. I hope the union recognizes what's happening that it's not just a one-way street, that both parties have to make a go of this situation that we are in right now if we want to continue to grow and continue to be successful, both as workers and employees.

I didn't want to dwell that long on the particular situation that the unions are talking about but to leave on the records that it is a one-way street that only the workers create the businesses is wrong and I don't think that it's correct to imply that the industry is presently trying to take advantage of the worker, because I think that in the majority of cases they're not.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I'll be brief. I did want to reply to just one point that the Member for Pembina brought up and that was when he was talking about the replacement of workers by machinery and how this has been an ongoing process. I'd like to reply to him just by telling him a little story, and it's a labour story, Mr. Chairman.

It concerns Walter Reuther, who was the president of the American Auto Workers for many many years. One day he was invited by the president of one of the car manufacturers to come in to see a new factory that he had just opened up, and he took him high up near the roof and showed him the whole panorama of the very long works that was packed with machinery. There was not a single worker in sight, but there was blocks of cast iron coming into one end that was being machined, and altered and changed, until it came to the other end where a complete V-8 engine was being turned up on a conveyor belt. The president turned around to Walter Reuther and he said to him, "How are you going to get those machines to join your union?" He watched for a moment and then he turned back again and he said, "How are you going to get those machines to buy your cars?"

MR. CHAIRMAN: The Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): I also would like to make it brief, I'm sure it has been said by the Member for St. James, some of the points that I would like to make, but I think it's important that they go on the record. I think it is the Minister of Labour being responsible and being challenged on the minimum wage being increased and the fact that the cost of food being one of the items that should be the reason that the minimum wage should be increased. I think it's important that it be noted that the percentage of the consumer dollar in Canada over the past years, the percentage of their dollar that goes towards food has been on the decrease, that the percentage of the Canadian consumer's dollar now is something around 18 percent, one of the lowest in the world. I think it's also worth noting that approximately, and I'll say approximately because I'm not just exactly sure, but I think some 10 years ago that quite a large percentage of that consumer dollar went towards, or their total wage, went towards food. That has been decreasing at a continual rate, that it has decreased by something like four times what it was approximately 10 years ago, so that the cost of food increasing to the consumer in Canada is not a legitimate excuse or reason to increase the minimum wage, that the figures show that the percentage of the consumer dollar has been on the decrease that is spent on food.

As far as the argument goes to increase the wages, I think that the labour have to realize that to increase wages, the managers and the investors in any company that there has to be or should be an increase in productivity by the individual, that until we get a formula that the more money that is paid for the services rendered that no one can win, that it is a problem that everyone has to charge more for what is being produced, and unless there is a productivity base figured into the increase in wages, then all consumers and people in management will not gain but will all lose.

And I think it is very important when we talk of profit, I think it is created by a combination of both labour and management and the resources available to that group of individuals and the combination of how they are put together results in how each individual is able to accomplish their better way in life.

So I think probably that the main point that I wanted to put on the record is that as far as using the cost of food for the labour people, that it cannot be used as a legitimate reason for the increase in the minimum wage because the statistics show that there has been a decrease in the percentage of their dollar going towards food.

MR. CHAIRMAN: The Member for Pembina.

MR. ORCHARD: Mr. Chairman, just to briefly make a couple of comments, particularly in reply to the Member for Lac du Bonnet. He indicates that wealth can be created only by labour, and I think, you know, we are going to have a basic saw-off here, and it boils right down to philosophy. I will agree to the input that labour makes in creation of wealth, but I only have one question that I would like to lay on the committee tonight, and that would be: How much would that labour be worth without the investment that the business has made, the business that employs them, without the investment that business has made in machinery, buildings, land? In other words, skilled labour is just that, it's skilled to run a machine to do a specific skill, and in the case of running a machine, skilled labour runs a machine that they don't own. Without the investment that the business has made and the ownership of that particular machine, what would that skilled labour's hour of endeavour be worth, what would it be worth? And you know, if they didn't have the machinery, what would their hourly wage be? The classic example would be, how much cultivation can be accomplished on a farmer's field by one individual? We can compare the individual and a tractor pulling a 28 foot cultivator or we can compare him to a single man with a hoe, and I maintain that the man who runs that tractor for me, I am willing to pay him more money because he is running a machine which I own. He is getting more money because he is more productive because of the investment I, or anyone else, in business has made in the machine that he's running.

And to further clarify one area that the Member for Lac du Bonnet brought up, he said, "What is undue demands?" And he says, all that labour is doing in terms of contract negotiations and demanding wage increases is demanding a share of the profits, and Safeway was cited as the example brought up by the Member for Logan. He said that all the employees are doing this year is trying to share the increase, the 61 percent increase in profits. I have absolutely no qualm with labour sharing the profit, the 66 percent increase in the profit that the company made if they were part and parcel of creating it. But I ask the Member for Lac du Bonnet, is it not a two-way street and how many labour unions would take less money in a year when a company loses money? You know, if we're going to agree with the concept that they share in the profits when the years are good, that labour should share in the profits that they create, then I think the reverse situation should hold true and that labour should take less money, less dollars per hour, should settle at \$6.00 instead of \$7.00 per hour in a year when the industry is losing money.

Thank you, Mr. Chairman.

MR. CHAIRMAN: 1.(b)(1)—pass. —(Interjection)— Is that a motion? To the member for Lac du Bonnet, is that a motion?

MR. USKIW: Yes, Mr. Chairman, I think it's midnight and I don't think that it's too productive to carry on beyond this point.

MR. CHAIRMAN: That is a motion that committee rise?

MR. USKIW: Yes.

MOTION presented.

A COUNTED VOTE was taken, the results being as follows: Yeas: 5; Nays: 11.

MR. CHAIRMAN: I declare the motion lost.

MR. USKIW: Well, Mr. Chairman, we have to go in the House to do this.

MR. CHAIRMAN: The House has recessed. This is the House.

MR. USKIW: Oh, I see.

MR. CHAIRMAN: 1.(b)(1)—pass — the Member for Kildonan.

MR. FOX: Mr. Chairman, if the majority wishes to railroad this, I would like to have some indication of how long they intend to sit because if we are going to sit until 3 or 4 o'clock in the morning, I intend to have a few more members come in here to relieve some of us that have been sitting here all evening paying attention.

The other thing that I would like to say, Mr. Chairman, before we proceed is that I would ask

you to be a little more attentive to your job as Chairman so that the members are not continually interrupted because it's been very difficult to follow the proceedings of the committee because there has been continual interruptions back and forth across the table. Now, on that basis I'm prepared to go as long as I get some indication as to how late we're going to sit.

MR. CHAIRMAN: Well, I'm only the Chairman of the committee; I can't tell you how long we're going to sit. I can ask the . . .

MR. FOX: Well, let's get some consensus from the Minister as to when we're going to adjourn tonight, at what time.

MR. CHAIRMAN: I don't know if it's up to the Minister or if it's up to the members at large. As far as some order, I think you've noticed that I've hit the gavel many many times tonight and tried to bring the meeting back into order.

The Member for Minnedosa.

MR. DAVID BLAKE: Just on that point of the Member for Kildonan, I think he must appreciate that the Committee Chairman has been sitting here since 10:00 o'clock this morning and he has to sit here a hell of a lot more attentive than we do because we can wander in and out . . .

MR. FOX: I appreciate that very much.

MR. BLAKE: . . . and he's had a pretty tough job and I know that we're an unruly bunch to try and control but we would like to see the committee move. I think there are dozens of items throughout the Estimates where the members can unload their philosophical bent, whatever it may be, throughout the Estimates without getting hung up on this one particular item and I think it would be nice to see the committee show some signs of progress. We've watched what's happening in the other House and they adjourned in there because they were getting absolutely nowhere after about 14 hours of absolute drivel on nothing.

MR. USKIW: Mr. Chairman, on a point of privilege.

MR. CHAIRMAN: The Member for Lac du Bonnet on a point of privilege.

MR. USKIW: Mr. Chairman, since when has debate on departmental Estimates been drivel?

MR. BLAKE: That's my opinion. I don't ask you to like it; you don't have to take it if you don't like it.

MR. USKIW: Mr. Chairman, every member of this committee is entitled to make his contribution to the debate.

MR. FOX: . . . half a dozen others, we want to ask some very pertinent questions on.

MR. CHAIRMAN: Go ahead.

MR. FOX: . . . and listen, Dave, you haven't been here all evening but you've been good when you came in in respect to heckling. Now, kindly sit back and listen . . .

MR. BLAKE: Direct your remarks to the Chair, please, direct your remarks to the Chair.

MR. FOX: . . . because you happen to be one of those who doesn't attend committee meetings, Mr. Chairman, but he does come in here and irritate the committee when it's trying to do it's work.

MR. BLAKE: Mr. Chairman, on a point of personal privilege, I don't think it's any business of the Member for Kildonan to keep track of my attendance at meetings. I've been in the other House as well as this House and if he chooses to stay in this meeting through the whole session, that's his business. I've been attending both committees.

MR. FOX: Very well, Mr. Chairman, but as long as the Member for Minnedosa keeps interrupting and acting unparliamentary, I'm going to refer to him as a person and reply to each time that he does it.

Now, as I indicated to the Honourable Member for Gladstone, there are a number of items under this particular administrative issue that we would like to discuss but I'm sure that they're not going to be done in 15 or 20 minutes. It's going to take 2 or 3 hours I would imagine.

MR. CHAIRMAN: The Member for Gladstone.

MR. FERGUSON: Well, Mr. Chairman, we certainly don't want any indication that we're trying to railroad anything through but, by the same token, we've spent many hours on (b)(1) and we would like some indication that we are moving somewhere in Estimates. As I said earlier, we don't want to railroad. Would one o'clock sound reasonable to you gentlemen to carry on with your arguments until that time and then we'll adjourn?

MR. FOX: I've no objection as long as we can make a decision as to when we're going . . .

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, on that very point. As I understand the arrangements that have been entered into over the last few years, and I think this is still the same arrangement, that the government group and the opposition have agreed to sit late hours, beyond ten o'clock, on a reasonable basis. Now, we are not in speed-up; it is midnight; we have given two hours beyond the normal adjournment period already and I don't know what the rush is, Mr. Chairman. I can't understand why we have to go any length of time beyond midnight. We're two hours in excess of our normal adjournment hour now.

MR. CHAIRMAN: The Member for Gladstone, then the Member for Selkirk.

MR. FERGUSON: Well, Mr. Chairman, I've spent a few years in this House too and I've spent many hours in this same room in committees and we've had our ups and downs in it too and we certainly haven't come out crying and as the hour indicates, it's 12 o'clock and we've sat in this place until 7 o'clock. That was probably in speed-up but many times we've sat in here when it wasn't in speed-up. All we're trying to indicate is that we would like to show some progress in this thing.

MR. USKIW: Not in regular, not before speed-up.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, as the Member for Kildonan has indicated there are several hours further discussion under this point. This is the major point; this is the first day that we've dealt with the Minister of Labour's Estimates, it's not the second or third day, but the first day. And today we have covered an area which is of extreme importance to the opposition. I think we have threshed it out a great deal and I think quite a bit has been accomplished in that respect.

Now, for the members opposite to insist that we sit even until one o'clock or to some time after one, I think is a little unfair. I remember the Member for Sturgeon Creek expressing his great annoyance and anger when we used to sit beyond 12 o'clock and that was, Mr. Chairman, that was during speed-up. We're not even into speed-up at the present time and it's being suggested that we continue to sit — the member has mentioned one; others mention seven o'clock in the morning. Mr. Chairman, I don't really think it's too productive after 12 o'clock. I think what we're going to do is enter into more and more hassle, very little will be of a constructive nature and I would suggest, in view of the fact that we are not yet in speed-up and this whole process certainly prior to speed-up depends a great deal on good-will on the part of both sides, that you're not going to accomplish anything by trying to ram through this item tonight.

MR. CHAIRMAN: The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, the Member for Gladstone, who is the Whip of the party here, made a reasonable suggestion. There are five members of the NDP here who can certainly assist in the debating for the next hour. I suggest, Mr. Chairman, that we go till 1:00 p.m. and then close. I think that's a reasonable request. Without any further debate we'll get on with the Estimates about as far as we want to go till 1:00 o'clock.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: I believe that this is nothing more than an attempt on the part of the government

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majority to ram through its Estimates. It's a very sad reflection because we are in the first day of discussions of the Department of Labour Estimates. We've been at it till midnight and there is no patience shown whatever on the part of the government majority with respect to the reasonable and logical time period that should be allotted to any given department. It's not as if this department has been debated for a week. It's only the first day, Mr. Chairman, and this is nothing but a railroad job.

MR. FERGUSON: Sam, you did it the same way.

MR. USKIW: No way. Never.

MR. CHAIRMAN: The Member for Wolseley, on the . . .

MR. WILSON: I think that the Member for Gladstone has made a very reasonable approach to it. There was a vote taken. I believe our Party is outnumbering the members 10 to 4, that's true, but if these four conscientious members of the New Democratic Party are willing to make up for those who don't want to attend meetings then I feel very strongly that the criticism levelled at them in the media about not attending the Autopac meeting and now this meeting here, I really think that they should go to 1:00 o'clock.

MR. CHAIRMAN: To the Member for Wolseley I think that you were getting off base in your comments. The Member for Selkirk. But if we are going to carry on till 1:00 we're wasting a lot of time.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I would like to ask a question of you and make a comment, and my comment is first and I think it's been great that the government members have participated today, both this afternoon and this evening. I only wish there was greater participation in other departments, but I do say that possibly 40 percent of the discussion time, the time that has been consumed, has been spent by honourable members opposite. Certainly there can be no accusation that opposition members have been using up all the time that's involved. There's been at least 40 to 50 percent of the time that's been consumed by government members opposite. I criticize them not. I say that was healthy and good but let us recognize the fact it's not been opposition members that have contributed disproportionately to the time that's been consumed in the debate.

Secondly, a comment was made and if I am wrong then I would be prepared to reconsider my position, but I cannot recall and my memory may be faulty, and possibly you can help me, Mr. Chairman, of another instance when we have sat past 12:00 o'clock on Estimates prior to the speed-up motion when there was not mutual agreement, Mr. Chairman. That's my question. I wonder if the Chairman can give me an instance or example.

MR. CHAIRMAN: I personally can't give you an instance. The Clerk has told me that in his opinion it has happened in the past. Members on the government side have indicated that it has, but I don't think that's the point at issue. The Member for Lac du Bonnet made a motion that Committee rise. We are the Committee of a Whole now. The other Committee shut down more than an hour ago so we are the Committee. The votes are taken within here. The only vote that can be placed is the vote for Committee to rise or to continue on. That vote was conducted and I'm only the servant of you people. I'm only the servant of the members of the Committee and I would ask all members, including the Member for Minnedosa and the Member for Lac du Bonnet if they would quit their arguing, maybe the Member for Kildonan would think I was a half decent Chairman. It's a very difficult job to Chair these Committee meetings particularly when we get on to subjects of unions and minimum wages where the differences of opinion are wide-ranging, and as the Member for Minnedosa said, I was here this morning from 10:00 till 1:00 on Public Utilities, two hours again this afternoon, and from 8:00 until after midnight, but I'm the servant of the Committee. I'll carry on if that's the wish of the majority. The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I simply want to make the point that we can make a great deal of progress in this Committee if there's harmony. If there's an attempt to ram things through we'll end up not only losing the remaining period of time tonight but you run the risk of losing all of tomorrow because I can assure you you may end up . . .

A MEMBER: This is a threat.

MR. USKIW: It's not a threat, Mr. Chairman. I'm talking about what happens, and we've had it happen before. We could end up with a bunch of grievance motions as a result of tonight's proceedings and we lose tomorrow, so trying to speed things up may result in slowing things down, and all we have to apply is a bit of common sense. There's no need for rushing a Committee on Estimates before speed-up.

MR. CHAIRMAN: I'll recognize the Member for Gladstone whose the Whip of the government majority party.

MR. FERGUSON: Well, Mr. Chairman, it seems to me that the former Minister of Agriculture feels that he has a divine right to threaten . . .

MR. USKIW: No, I didn't say that.

MR. FERGUSON: I would think that if this is what he wants then we're quite willing to accept it. —(Interjection)— Just a second. I have the floor for the moment. All we asked was that the thing could carry on. We've already debated for fifteen minutes about nothing, so what difference would it have made if we'd got on with the business and then adjourned the thing in another fifteen minutes? But the former Minister of Agriculture seems to feel that because of the MPIC thing the other day that he has the right to keep threatening. He came in and says, well, if he hasn't got ten people we'll move the Committee rise. He says tomorrow that we'll have ten grievances. Well, God bless him. Let him have twenty grievances.

MR. CHAIRMAN: The Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, a point of privilege. I didn't express any intent or threat on the Committee. I merely pointed out that the Committee's function . . .

MR. FERGUSON: With his usual benevolent attitude, I suppose.

MR. USKIW: Mr. Chairman, I pointed out that the Committee functions much better when there is mutual agreement, and that to the extent that that doesn't exist the process will slow down and we have had that experience in the past. It's a matter of history and a matter of record, Mr. Chairman. I merely point that out for whatever it's worth. If it isn't worth anything, fine, we'll carry on.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, may I just point out to the Member for Gladstone that the Member for Lac du Bonnet's statement has been proved correct this past fifteen minutes because there has been no mutual agreement, Mr. Chairman, there has been fifteen minutes wasted in wrangle back and forth non-constructively simply because there has been an effort to ram something through at this late hour without a consensus in the Committee. The Member for Lac du Bonnet's statement has been proved this past fifteen minutes.

MR. CHAIRMAN: All right. 1.(b)(1)—pass — the Member for Kildonan.

MR. FOX: If we're going to proceed I'd like to set a few things straight, especially in respect to unions. The Member for St. James said they outlived their usefulness, well, words to that effect. —(Interjection)— Well, whatever it is, nevertheless he feels that they don't have a real purpose anymore . . .

MR. MINAKER: No. No, that's not what I said.

MR. FOX: . . . or that they're too strong. All right, so I'll get to the point. It may take me till 1:00 o'clock but I'll get there. You know, I've got lots of time.

MR. MINAKER: I mean if you say something that I didn't say, I can't agree with you.

MR. FOX: Well, that's fine. First of all you indicated that there were union bosses. Well, you know, it just indicates his total ignorance of a union structure and the way it operates.

The other thing is this, it also indicates that he has a real lack of understanding in respect to our social order. Our social order has gradually developed the institutions and the unions, the Chamber of Commerce, and all the other various associations that we have.

MR. PAWLEY: Mr. Chairman, on a point of order, are you going to maintain some order so that members at the back can hear the member speak?

MR. CHAIRMAN: I will, for about the fifteenth time this evening, ask the members if they would please show some courtesy to the recognized speaker. The Member for Kildonan is the recognized speaker.

MR. FOX: Thank you, Mr. Chairman. These institutions grew up simply because that's the way our society evolved, through self-interest groups. And the members on the other side wishing unions to go away and not to use the rights of their participating members is just not going to happen. You know, it's sort of dodo thinking that creates that kind of thought that you can eliminate unions, that you can say they're bosses, that they're not run democratically and so on, but that's totally untrue. The real thing is this, that people create self-interest groups, and through those self-interest groups they further their own aims. That is what democracy is all about and that's how the institution of parliament evolved, and the reason parliament evolved is because people had grievances and they wanted them looked after.

You know, one of the things that happens in our society at the present time is that we have some economic problems and the self-interest groups who have opposing views have come to loggerheads. And some of the reasons they've come to loggerheads is because the economy is on a downward turn and people are feeling the pinch. The reason for strikes and the demands for increased returns for labour are coming about because people are feeling the cost of living that has been increasing. Now, we have created many forms of protection for people, but unfortunately some of those are being ignored today. And the reason they are being ignored is because the Minister of Labour and her colleagues feel that the minimum wage people don't have to survive in this world; they don't need an increase in the cost of living; they can survive the way it is. I think that's wrong. —(Interjection)— Do you? Then do something about it. You know, that's very nice for members to say they think it's wrong yet they have no inclination to support those people who cannot help themselves. I have no objections to unions doing what they prefer to do because the members asked them to do that, but I say that the people who do not have unions need the protection of legislation; legislation and the increase in the minimum wage is one way that the labour department can help those people out, and either the people on the other side have no compassion for those people or else they feel that it is okay for those people to subsidize industry.

MR. CHAIRMAN: The Member for Selkirk.

MR. PAWLEY: Mr. Chairman, I would like to deal with another matter. If you wish to suggest that I deal with it under another item — but I do believe that this is the proper area to deal with it, that is the question of the exemptions that were given to Simplot by the Minister in connection with The Power Engineers Act. I do believe it falls under general . . .

MRS. PRICE: It's under Mechanical Engineering.

MR. CHAIRMAN: I would say to the Member for Selkirk it perhaps more appropriately comes under 2.(b) Mechanical Engineering but as we have been conducting the affairs of the department all day, the word "administration" is such a broad one that you could almost ask any question under it. But there is a specific section, Mechanical Engineering, as there was for Labour Standards under Employment Standards, which is Wages and Working Conditions. But it is the wish of the majority of the Committee that almost every question can be asked under Administration.

MR. PAWLEY: Well, Mr. Chairman, what I'd like to pose to the Minister is, the questions relating to the fact that prosecutions were launched under The Power Engineers Act, and I believe those prosecutions were launched through the auspices of the Department of the Attorney-General, and Simplot, as I understand the facts, approached the Minister for an exemption. I would like to ask the Minister if in fact it is correct, as it is reported that she requested a retroactive exemption in effect, that she asked the Attorney-General's department to stay the charges involving Simplot?

MRS. PRICE: I didn't request a retroactive cancellation of the charges; I asked him just to not to be continuously charging them so that they could operate.

MR. PAWLEY: Well, I didn't suggest you had cancelled; I think the terminology is "stay." Is it true that you asked the Attorney-General to stay the charges, charges that had already been launched

against Simplot pertaining to The Power Engineers Act?

MRS. PRICE: I don't believe that's exactly how I did it. As I mentioned, I just asked him if he would refrain from having the charges going on on a continuing basis so that they could operate.

MR. PAWLEY: Well, there's a little difference there, and I don't want to make it difficult for the Minister, but is the Minister indicating then that the newspaper reports are not correct and that she did not ask for a retroactive action pertaining to the charges that had already been laid pertaining to Simplot?

MRS. PRICE: The reports that were in the news media were quite distorted.

MR. PAWLEY: Well, I'm glad then that we had this opportunity to clarify it. The Minister is then saying that she did not approach the Attorney-General and request the Attorney-General to undertake action to stay the charges which had already been laid under The Power Engineers Act as against Simplot?.

MRS. PRICE: I just asked him for a consideration in that regard; I didn't ask him to do it.

MR. PAWLEY: I would like to just read from the Tribune article dealing with the news story of January 9, 1978, when the Attorney-General is quoted: "Attorney-General Gerry Mercier has said he will proceed with the charges despite Mrs. Price's request that they be stayed, because the Labour Minister does not have authority to make retroactive exemptions." Now, what she is telling us this morning is certainly in contradiction to this story, this quote that is attributed to her colleague in Cabinet.

MRS. PRICE: That isn't the way it went at all, and the Attorney-General if he were here, he would substantiate what I have just said.

MR. PAWLEY: So you are in fact indicating that you made no effort to request or to use your ministerial position to cause a stay in the charges that had already been laid as against The Power Engineers Act.

MRS. PRICE: I think my wording was, to the Member for Selkirk, would he consider. . .

MR. PAWLEY: So you are in fact indicating then that you asked the Attorney-General to consider staying the charges?

MRS. PRICE: Yes.

MR. PAWLEY: Then could I ask the Minister if prior to making that request to the Attorney-General, has she made any attempt to discuss this with the representatives of the employees that would be affected by such an action if in fact the Attorney-General had acceded to the request to consider and then acted positively upon the request?

MRS. PRICE: Who are you referring to as the representatives of the employees?

MR. PAWLEY: Well, I believe the plant in question is unionized by the . . .

MRS. PRICE: You mean the management?

MR. PAWLEY: . . . Steelworkers of America? Well I know you did discuss this with management. They approached you; is that not correct?

MRS. PRICE: By letter.

MR. PAWLEY: And did they speak to you personally?

MRS. PRICE: No, not all.

MR. PAWLEY: But they did make representations to you by way of letter?

MRS. PRICE: Yes.

MR. PAWLEY: And did you then proceed to the Attorney-General on the basis of that letter or did you make effort to discuss the representations or to elicit by correspondence the views of the employees, their proper representative, prior to making your approach to the Attorney-General?

MRS. PRICE: No, I didn't make any approach to the representatives of the employees, as you say.

MR. PAWLEY: Is there any reason that you felt it would not be necessary for you to approach the representatives of the employees on what really is a major request.

MRS. PRICE: I think the request was to the Attorney-General and the people that you are referring to, I don't think that they entered into it at all. I don't think it's up to them to decide whether there can be requests granted; I think that's a matter for the Attorney-General.

MR. PAWLEY: But you had a request from management requesting you to take such certain action. You would admit that not only management was involved with the nature of the request, but also the employees in the plant whose safety might have been endangered.

MRS. PRICE: I had advice from the heads of the department of the mechanical engineering who are qualified engineers and they assured me that there was never any need for this particular law to be put into practice, and that they would certainly be running with full safety for all the employees.

MR. PAWLEY: Well then, could you advise me why the charges were laid in the first place?

MRS. PRICE: Well, you'd have to answer that yourself. That was in your time.

MR. PAWLEY: No, but Madam Minister, the fact is that the charges were brought as a result of a request from the Department of Labour. Certainly as far as the department of the Attorney-General is concerned, for the Minister's elucidation, there was cause for charge, and Mr. Mercier has in fact indicated that; it's not just my word that honourable members need take here. Mr. Mercier indicated that there was basis for proceeding and I believe that in fact the charges were proceeded with and convictions were obtained. Fine of some extent, I believe small fine, but there was a fine that was obtained, so there was certainly a basis for the charge from the point of view of the Attorney-General's department. Is she suggesting that the very officials that commenced the action were responsible for commencing the action, then subsequently advised her that there was no basis to proceed with the prosecution?

MRS. PRICE: I'm suggesting that that addition was put into the Power Engineer's Act in, I think it was July, 1977 that clause was inserted. Prior to that, they were operating all these years and apparently with satisfactory conditions, and as I said, I asked for consideration from the Attorney-General. I didn't demand and I didn't order him to do any changing, I asked for consideration.

MR. PAWLEY: The charges were recommended . . . Did the Minister wish to add further comment?

MRS. PRICE: No, as I say, it was only since last July that the former government saw fit to start enforcing this particular regulation.

MR. PAWLEY: And that's because, I believe you indicated the regulation was only passed this past July of 1977, is that correct?

MRS. PRICE: No, it was prior to that, but it was just in July of 1977 that the former government decided to enforce it.

MR. PAWLEY: Could you advise me insofar as the request to the Attorney-General to consider staying the charge, whether or not it is correct that your then Deputy Minister' Mr. Goodison, did not concur with your request for reconsideration?

MRS. PRICE: I didn't discuss it with the former Deputy Minister.

MR. PAWLEY: Was there any —(Interjection)—

MR. CHAIRMAN: The Member for Kildonan.

MR. FOX: It's on the same subject I'd like to discuss it in terms of policy because we are still under the Administration section. Is the Minister going to alter The Power Engineers Act in this regard so that plants can operate with lower grade tickets?

MRS. PRICE: Right now we have the Power Engineers Board just getting put into place. We will be having meetings with them and we will be discussing it at some length.

MR. FOX: So this may take some time, is that correct?

MRS. PRICE: Well, as soon as the Board is put into place the meetings will begin, and it's just about ready to commence, and there will be representation from all sides.

MR. FOX: The Minister indicated that these people were harassed. Does that mean her inspectors or inspectors previous to that were harassing when they went into inspect?

MRS. PRICE: Well, I would suggest that for every eight hour shift around the clock, there was an inspector from the Department of Labour there to check to see if there was a second-class engineer on duty.

MR. FOX: Do you believe that people who are hired to inspect should not do their duty, whether it's 24 hours around the clock or whatever?

MRS. PRICE: Well, that was fine for the present government, the previous government could enforce the laws anyway they wanted to, but there happens to be a clause in that particular Act that says that the Minister can alter some of the regulations if so desired, and that is what I did.

MR. FOX: Well, if the Minister is prepared to alter regulations, is she prepared to alter them for every firm that asks to be exempted?

MRS. PRICE: Only if it's within reason. There's been many amendments put into many clauses, and clauses and amendments put into different Acts that have made them almost unworkable, and that's just one of them.

MR. FOX: Can the Minister indicate what is within reason, if the Act is being violated?

MRS. PRICE: I think we went through that in the House, when I told the percentage of professional engineers that were on duty, and you being a professional engineer yourself, you can appreciate the fact that I believe Simplot, out of 50-some employees, I think there's 30 of them that are professional engineers of some description or another, so I am sure that they were well covered as far as the safety factor is concerned.

MR. FOX: I am very well aware of the engineers' qualifications, but I can assure the Honourable Minister that I wouldn't want to take on responsibilities as a chemical engineer or any other kind except my own particular discipline. Is she indicating that any other discipline that's called an engineer can look after mechanical supervision?

MRS. PRICE: Well, firstly, I'd like to make it clear that I certainly wasn't in any way trying to abuse the safety factor of the operation of those particular companies; the particular companies have had engineers going from year to year, taking their studies, and it's been very difficult to hold second-class engineers right at the present time; both of them have a full complement of them and have had since — I guess it was last January.

MR. FOX: So, is the exemption lifted now. there is a full complement of engineers?

MRS. PRICE: Well, I don't think they require it right now because they have the full complement.

MR. FOX: They have a full complement of seconds?

MRS. PRICE: Yes, they do.

MR. CHAIRMAN: The Member for Selkirk. Or is the Member for Kildonan through?

MR. FOX: Yes.

MR. PAWLEY: Mr. Chairman, I would like to pursue then, further to the question of the charges against Simplot, and I'd like to quote to the Minister, a Free Press article of Friday, December 30th, in which Mr. Goodison is quoted as stating he had got into objections with the new government over its decision to drop charges against a chemical plant in Brandon charged with violations of The Power Engineers Act. "She instructed the Attorney-General's department to drop the charges, and I told her she didn't have the authority," Goodison said. Now, I would like to ask the Minister then, since she indicated that she had not consulted with Mr. Goodison but had gone directly to the Attorney-General's department, whether Goodison is (a) making reference to some other chemical plant in Brandon; (2) is he telling an untruth or lying; or (3) is there a misquote? And I would like to warn the Minister, if she says it's a misquote . . .

MRS. PRICE: It is not a misquote.

MR. PAWLEY: . . . that the paper indicates that you advised that you were not prepared to discuss the matter.

MRS. PRICE: No, I told you the truth. When I first told you, I did not discuss it with Mr. Goodison; Mr. Goodison, on his own, removed my personal files and memos, and in fact Mr. Goodison, the same individual, removed them out of the department and gave them to Mr. Peter Warren to read on the air; private property.

MR. MINAKER: Mr. Chairman, I move Committee rise.

MR. CHAIRMAN: Well, I'll ask the Clerk to move that.

MR. PAWLEY: Well, it's not one. Weren't you going to one o'clock?

MR. CHAIRMAN: It's non-debatable. The motion by the Member for St. James is that Committee rise. All those in favour of his motion, please indicate.

MOTION presented.

A COUNTED VOTE was taken, the result being as follows: Yeas 9, Nays 6.

SUPPLY — DEPARTMENT OF HEALTH

MR. CHAIRMAN, Mr. Abe Kovnats: I refer honourable members to Page 43, Department of Health and Social Development, Resolution 64, Clause 8. Manitoba Health Services Commission: (1) Administration—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: I think the Minister had stated that he is going to answer some of the questions we asked of him yesterday.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, there were a number of questions ranging over a pretty wide spectrum of the whole operation of the Commission that were asked between yesterday and last evening and this afternoon, and I would like to deal with them in some semblance of order, but it may be that for the most part I just have to deal with them on a scatter-shot basis that will not necessarily be related to any continuity of debate, but will deal with the questions as they were put to me.

The Honourable Member for Ste. Rose, who isn't here at the moment, had asked some questions about a particular hospital in his constituency, or had made some allegations and observations, and I wanted to check the situation out for him on that institution and I do have a response, but I will hold it for the time being because he is not in Committee at the moment and may want to

hear the answers rather than read them in the transcript.

The Honourable Member for St. Boniface asked a range of questions and let me try to approach them from the point of view simply of the order that he raised them in.

Before I do I just want to say that I feel he need have no qualms or concerns or express any justification or rationalization, or whatever, for questions coming from that side of the House. I have, obviously, no objection to whatever questions the honourable members raise. I do reserve the right in the case of some of them to suggest that they are more in the nature of charges, more in the nature of allegations, than questions and I would suggest that I have as much right to approach them from the point of view of the assertions being made in an attempt to dispute and discharge those assertions as honourable members opposite do to put questions.

That is the nature of the exercise, and I would hope that the Honourable Member for St. Boniface would agree that there is a certain amount of give and take, a certain amount of flexibility that is permitted, should be permitted on both sides, in the areas of questions, although the questions may be asked with the best of intentions nonetheless they are asked also from the perspective of putting a party in a political position, and I appreciate that. In many cases they are put, as I say, simply as assertions or allegations. It is difficult to measure the accuracy of all the implications in all the questions that are put in the field of Health and Social Development at the present time, because obviously there are different reactions to the restraint challenges and the budgetary challenges coming from different quarters, and the field is ripe and rife for all kinds of assertions. So I have to approach the questions from that perspective, and I accept the validity of the Opposition's position in putting them, but I repeat that in many cases they are put more as statements of fact than simply as questions, and in some cases they give rise to general impressions with respect to the situation in the Health and Social Development field that I don't believe is true, and that I haven't found to be true.

I suppose that when the Honourable Member for St. Boniface talks about some trial balloons that we have flown and some kite flying that we have done, that that also is an expected and anticipated exercise of the political debate process, but I think that some of the questions raised by members of the Opposition are in the same category, that they assert certain things are happening, therefore they, by that action, fly a kite or run up a trial balloon to see what kind of response there is to that assertion. So that is the exercise that we are in and I think the Honourable Member for St. Boniface understands it and appreciates it the same as I do.

Mr. Chairman, the Member for St. Boniface asked me about staffing in urban hospitals, including Brandon. I have information on total staff, excluding students, in the large urban hospitals as of December 1976, December 1977, and March 1978. These are equivalent full-time positions and they range over from the Health Sciences Centre in Winnipeg to and including Brandon General Hospital. The total — I can give the honourable member hospital by hospital break-down or I can give him a copy. I can have a copy of it made and give it to him. I can give him a copy of it now, Mr. Chairman, if there is a Page handy. Just for the record let me say there is not a significant difference in totals. The total EFTs, equivalent full-times, is actually up in the eight hospitals under review. It stood in March 1978 at 10,358.6 in comparison to December 1976 figure of 10,289.8, but there's really no significant or meaningful difference in those totals. They are pretty much the same over the three measurement periods from which they're taken.

The member asked me about the comparison of 1978-79 budgets to 1977 calendar year allowances for the urban hospitals.

MR. DESJARDINS: Mr. Chairman, if I may, could we have the vacancies in this, does the Minister have the vacancies?

MR. SHERMAN: I don't have them in front of me, Mr. Chairman. It was a fairly comprehensive job to try to act on the range of questions that the honourable member put to me last night but we can get those vacancies.

MR. DESJARDINS: Mr. Chairman, . . . looking for this, I certainly thank him for this information but it doesn't complete the picture if we don't have a vacancy, and also that seems to be the last date was March 1978. In other words that was over last year. I guess you're waiting for the hospitals' budgets to find out what they will cut, because of their restraint, but this won't show on this — there's no way that you have that at this time anyway. If we can have the vacancies at least that you have.

MR. SHERMAN: I'll get the vacancies, Mr. r, Chairman, the othe as far as the specific positions for this year and this moment, I won't have those until later this month until the in'ividual hospitals report, which they are in the process of doing.

On the comparison of 1978-79 budgets, 1977 calendar year allowances for the urban hospitals,

I've got a report which contains a comparison of the 1978-79 submissions received from the hospitals to the 1977 calendar year approved budget together with increases given — do we have a copy of this or not? If so, I can send that over to the honourable member. Thank you.

On the question of monitoring, Mr. Chairman. Effective April of this year, 1978, health facilities in Manitoba are required to submit to the commission copies of their monthly financial and statistical statements. It's accepted as a general rule that monthly statements are a requirement for proper financial management of any size of health facility and we have therefore considered the requirements to submit monthly financial and statistical statements to be reasonable. The commission's staff will be reviewing statements as received to identify areas of management concern and will be discussing these concerns with health facilities.

On the matter of quality of care being provided in health facilities, the Commission's staff will increase contacts with health facilities to ensure that the quality of patient care continues at a high level.

On the impact of the phasing out of AIB controls which the honourable member asked me about. Actually, Sir, until major contracts have been concluded, we are not in a position to comment on the phasing out of the AIB controls, but we hope that unions and management will take a responsible attitude in labour negotiations. We are concerned that they do. We are concerned that both sides conduct negotiations within the spirit and intent of government restraints. I can't give my honourable friend much more assurance than the existence of that concern, and my intention and our intention to watch the situation as closely as we can.

On the question of emergency replacement of equipment, the Commission has a procedure that has been established for some time to review requests received from health facilities for authorization to purchase equipment. This system is being maintained. Equipment depreciation allowances to health facilities have been deferred for a one-year period. This deferral in our view should not adversely impact on health facilities as most equipment purchases are not of an emergency nature. But the deferral is simply that, and it is simply for a one-year period. Funds available to health facilities for purchases of equipment may be accumulated reserves provided by the Commission, donated funds, the 20 percent differential income retention which is specifically to be used for equipment purchases. However, it should be noted, Sir, that should a particular health facility encounter extreme difficulties regarding equipment needs special submissions may be made to the Commission, and we are making that point clear.

On the 1978-79 deficit adjustments, that question — it is our expectation that when final 1978-79 budget allowances have been established, hospital and health facilities will operate within these allowances. The Commission will not pick up deficits except for those items outside the global budget, such as Capital costs, residential unauthorized charges, and non-commissioned income. That is 1978-79 deficit adjustments we are talking about. There have to be, of course, adjustments for 1977-78 deficits and that is still to come.

The honourable member asked me about referrals to private laboratories. I would like to respond formally in the following vein, Mr. Chairman, that it is difficult to comment on any change in activity at the hospital level in terms of referring work to private laboratories, but we have reviewed total dollars paid out to eight of the largest private laboratories for the three-month period, January 1st to March 31st, for the years 1976, 1977 and 1978. We found that total payouts for the three months ended March 31st, 1977, had increased by 14 percent over the same three months, ended March 31st, 1976. However, that 14 percent included a 5.7 percent increase relating to the fee schedule. Therefore, compensating for that, Mr. Chairman, the volume increase was really only 8.7 percent. —(Interjection)— No, that is the first three months of 1977 over the first three months of 1976. For the first three months ended March 31st, 1978, the first three months of this calendar year, the dollar increase amounted to 8 percent over the three months ended March 31st, 1977, and inasmuch as the fee schedule was not adjusted in this period, and the honourable member will be aware of that, there was no adjustment until April 1st. The 8 percent increase in volume compares to the 8.7 percent increase in the previous fiscal period. Therefore, Mr. Chairman, through you to the honourable member, we can say that based on the most recent information available to us, the current information that we have, one can make the statement that not only is there no increase in volume of referrals to private laboratories during the three-month period, but in fact there is a slight decrease, because we are looking at 8 percent compared to 8.7 percent.

Now we come to the crunch, Mr. Chairman. The honourable member asked me about the rationale for the 2.9 percent and also the economic cost increase and impact of 2.9 percent for hospitals and 4.4 percent for personal care homes. First of all let me say, Mr. Chairman, that we have attempted to adhere responsibly and conscientiously to the 2.9 percent cost increase that we settled on as a government and I will come to the explanation to the honourable member as to how we arrived at it. But I want to make it clear that 2.9 percent is not all the money that the hospitals will get, and I am sure that both the Honourable Member for Seven Oaks and the Honourable Member for St. Boniface appreciate that, because we are looking at a general cost increase, and we are

also looking at provision for 1977 deficits. The 2.9 percent is based on the actual estimated budget for hospitals, for the hospital program under the Commission, as at March 31st, 1978.

There are individual hospitals which are receiving more or less than 2.9 percent and I know that the honourable members are aware of that. But the figure, the median, is 2.9 percent, the figure that was struck as an increase in the actual budget for the hospital program for this year over last, was 2.9 percent, and that 2.9 percent is based, as I said, on the actual estimated payout under the hospital program through the Commission, under the particular line of the Estimates that says Hospital Program, for the fiscal year 1977-78, ended on March 31, 1978. —(Interjection)— 2.9. 2.9. —(Interjection)— 2.2? Where is that . . . —(Interjection)— Oh, yes, there's a note which explains that the increase approved is below 2.9 percent due to the moratorium on equipment depreciation. That's right. "In capital costs, allowances, reductions in loan payment requirements . . ." Right. Right.

But I'd just like to try to get this point straight with my honourable friends. The questions, legitimately raised by members opposite, including the Member for Inkster last night, relative to the printed figures in front of all of us in the Estimates, are questions which require a detailed answer, because the printed figures don't tell us the whole story. The fact of the matter is that the total amount in the hospital program, estimated actual for 1977-78, was \$264.8 million, as shown in the left-hand column of the Estimates in front of my friends. In comparison to that, we're looking this year at a request for \$269.4 million, which we are seeking from the Legislature.

If you take the non-budget facilities off those figures, that includes the Commission Diagnostic Units; the Cadham Provincial Lab; Federal Contract and out of province commitments; private lab and X-ray facilities, you are subtracting a total of \$30.7 million from the 1977-78 voted amount, and a total of \$32.2 million from the 1978-79 requested amount, leaving us with the following totals, Mr. Chairman: The actual hospital budget, voted for 1977-78, with the non-budget facilities subtracted, is \$234,126,000.00. The comparable amount for this year being requested is \$237,173,000.00.

Now, the 2.9 percent which the government agreed upon as the general cost increase, was applied to the \$234,126,000, which was the actual voted hospital budget, less the non-budget facilities. The actual voted hospital budget for last year. 2.9 percent of \$234,126,000 is \$6,790,000.00. Now, we've got a provision for 1977 deficits, which we will meet, and both former Ministers of Health are aware of that practice, and the hospitals are aware of it. They know that there is more money coming than simply the 2.9 percent because of these ongoing commitments.

The provision for 1977 deficits is \$1,984,000.00. There is a cost reduction to us, to the taxpayers of Manitoba, that has to be calculated in at this juncture relative to the discontinuance of Medicare for foreign students at the universities and the discontinuance on the broad scale of the free drug program for outpatients at the Health Sciences Centre. Those two combined amount to a saving in taxpayer expenditure of \$415,000 and if you take those three figures, the general cost increase of 2.9 percent applied on the \$234 million, and you've got \$6.7 million; the provision for 1977 deficits, you've got \$1.9 million; the cost reduction relative to the two discontinued programs, you've got \$415,000, which has to be subtracted, of course, and you end up, Sir, with a general cost increase in the hospital program budget, of \$8,359,000, which actually works out to 3.6 percent. It actually works out to 3.6 percent, but the cost increase, and what we said was that the actual hospital budget would be limited to a 2.9 percent increase, and that's what it is, the cost increase on the actual voted hospital program budget for 1977-78, is 2.9 percent, but the hospitals are getting more money than that for the reasons that I've outlined, and in fact the overall increase, up to this point, amounts to 3.6 percent.

Now, there are some other adjustments and provisions that will have to be handled, and when they're all calculated in, including new facilities, annualizations, transfer of extended care beds to personal care beds in some rural hospitals, the deferral of the equipment depreciation measure, residential charge to patients panelled for personal care home placement, and the increase in the private and semi-private charges at hospitals, all added up together and calculated into this figure together, leave us with a net cost increase for the hospital budget from the Manitoba Health Services Commission, of \$3,047,000.00. And that \$3,047,000 is the difference between the original figures, which I gave the honourable members five minutes ago. It's the difference between the actual voted hospital budget of 1977-78, \$234.1 million, and the comparable amount we're requesting this year, \$237.1 million. That's the \$3 million difference.

In any event, that's the 2.9 percent, and that's what it's applied to, and that's what it amounts to, but it is a figure that is applied on the actual voted hospital program budget, and does not represent all the money that the hospitals will be getting.

The allowances of 2.9 percent in the hospital field and 4.4 percent in the personal care field are based on a set of economic circumstances that the government believes now exist in the province, Mr. Chairman. We believe the increases are realistic when taken in the total context of the amount of money that is available to the people of Manitoba, and considered against a backdrop of what

I have already said about the provision for 1977 deficits that will have to be made, and the adjustment to the hospitals' bases, the adjustment to the base in the case of each hospital which is made every year and still has to be made this year. Also we believe they are realistic when we relate them to staffing allowances in Manitoba, in comparison to staffing in health facilities in the other western provinces.

Mr. Chairman, I am keeping an eye on the clock. Well, I have got more answers to give the Honourable Member for St. Boniface, so I will just conclude this particular phase.

The increases that we have provided for here and asked everyone to observe and stay within, recognize that in our view economies and efficiencies can be achieved in health facilities in Manitoba, and we believe that the response from such facilities, in the main, and medical personnel, in the main, has indicated to us that we are on the right track, that they can be done, that they will be achieved, and that the level of patient care and the quality of patient care that we all desire will be maintained without compromise.

Now there are other points that have to be responded to and have to be examined, but I recognize my time for the moment has expired, Sir.

MR. CHAIRMAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, I want to discuss the figures just given to us by the Minister, and if I follow him correctly, he indicated that the percentage that he used was to be based on the \$234,126,000, but that added to that one should add the deficit for the 1977-78 year and the additional revenue, which the hospitals would be getting because of the elimination of the free drug in the out-patient department — which I think is a retrogressive step but we are dealing with dollars now and that's all — as well as the cost reduction re foreign students. I am not sure how the cost reduction of foreign students in any way affects the operation of a hospital, because if the foreign student is not occupying a bed it will be a Manitoban. Beds are not lying around vacant you simply turn over the frequency to the utilization thereof. So that really I can't see how that comes into it. But it is not a large amount of money, so I don't think it is of any consequence.

But I am looking at the deficit of \$1,900,000, close to \$2 million, and this represents, I assume, deficits by the various hospitals, which they incurred over the 1977-78 operation. What the government is now saying is we recognize our deficit, it is legitimate, it is bona fide, and we are going to pay you, and he adds that to the amounts that the hospitals are getting. But this isn't money that they are going to be getting and can use. They are going to be getting that close to \$2 million and simply pay off the deficit. They may be into the bank for that amount of money, so they are going to have to pay it off. In which case you can't really, in my opinion, I am wondering whether you can really include that as a figure in the grants being paid in 1978-79, because if the money is simply to cover a deficit, an amount overdrawn at the banks, they are going to have to pay the banks off.

Now, what the Minister may be saying is, "All right, next year, a year from now, they will have no deficits and we will have to then pay them again to cover their deficits for the current year." But I thought the Minister indicated earlier that he wouldn't allow deficits this year, and so, I am not quite sure, I think I heard him say that deficits this year were not to be considered or would not be recognized by government. If he is not going to recognize governments for the current fiscal year, then paying them to cover their deficit for the last fiscal year and saying that is part of this year's grant doesn't hold water, because, as I say, they are simply going to take the money and pay the debt which they owe the bank. So I would like clarification on that.

The other item is this: We know the hospitals will now be charging \$7.00 a day for those patients who have been panelled for personal care services, but there is not space for them. My question is: How is that going to be treated by the administration? The hospital will be collecting the \$7.00 a day — will they retain that \$7.00? Will that \$7.00 be paid to the Commission, or will that \$7.00 per diem flow to the consolidated revenue? Could the Minister tell me how that \$7.00 will be treated? I believe the estimated figure is in the neighbourhood of \$2 million if my memory serves me correctly. The Minister can correct me. Approximately \$2 million that is anticipated to be raised from that \$7.00 per diem.

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

MR. DESJARDINS: Mr. Chairman, if I may comment on the answer. I think that I agree with my colleague, the Minister has certainly tried to give us as much information as possible, but I wouldn't want this to be misleading or to cloud the issue. We have got the information, there is more explanation that we would need. For instance, the Minister, the paper that we got, the schedule that we had for the urban health facilities — "1978-79 budget requested, excluding salary rate increase."

If I remember right and the Minister can correct me if I am wrong, but when he announced the 2.9 increase that was for everything including any adjustment of salary. As my colleague also said, the Minister said, and he repeated that this is not just an exercise. That there is no way that we are going to vary from this 2.9. Mind you, I must admit that the last few days there seems to be some change of heart, but it was stated very clearly that there would be nothing more, there was 2.9. So therefore, if this is the case, then if there is a deficit for the different hospitals, I guess eventually they will have to close their doors, that will be monitored very clearly, and I would imagine that the Commission will not let them get too much in the hole before they close their doors, or before they move in and take over from the hospitals, and cut down the expenses. And if this is not the case, and if they will be forced, especially if there is a salary adjustment, although the Minister has said that has to be included in the 2.9, I would think that then next year he will say, "Well, they will get more than that." — talking about the following year, because we have to pay the deficit.

So actually you can't claim that every year. If there's some unforeseen circumstances such as increases in salary when the contract comes up, if you're not budgeting for that, that has to be added, and that's a deficit, I would imagine. And that has to be paid the following year. And if there's something unforeseen, of course, it's the same thing.

But I don't want to cloud the issue. I might not agree with the Minister, but I'm not going to fault him when he finally tells us, "well, this is what we're going to do." I must give him credit, he said that they will not cover Medicare and Hospitalization for students that are outside of the province, and at the sake of being in trouble in Caucus, I don't disagree with that too much. I told him that I would try to be fair.

Now, on this question of the drugs, that's something else. I don't think you're going to save too much, but then I realize that that is not treated like global budget either. Apparently the hospital will not get a saving. That will not be credited to the Health Science Centre. It'll be taken off the top, as added revenue, or less expenses, unless I misunderstood.

As far as charging more for the people that should be in the personal care homes, well, here I applaud the Minister. I think this would have been done a long time ago, except the Federal Government, as the Minister probably knows, wouldn't let us do it. —(Interjection)— That's right. Now there's different funding, so I think that this is certainly the right thing to do.

But I want to go back, Mr. Chairman, to the budget. The budget exercise where the Minister said, you'll get 2.9 percent. Well, as of today, I don't think we should talk about 2.9 anymore, it should be 2.2. And I'm looking here at the figure of the Minister, because in the past, there have been certain funds, and there's been depreciation to help them — and that's not going to be a saving, by the way, it might look as a saving this year, but eventually sometime this equipment will have to be replaced, and they're losing that. In the case of the Health Sciences Centre, as I pointed out yesterday, it's in excess of \$600,000, so the Health Sciences Centre, for instance, who have had trouble meeting their budget for a number of years, although the Commission was fairly tough with them, claim that they have an increase of 2 percent. And this is what we want to talk about.

Now, the rationale — and this was the most important question — what was the rationale for that? Well, the Minister was honest —(Interjection)— oh, I thought you did. —(Interjection)— Oh, there's some more. Well, then maybe I should wait because right now he hasn't convinced me there's a rationale. He said, I think a very fair assessment, he said this is all we had when we looked at the whole thing and the economic condition and so on, we felt this is what we should increase, and then we divided that, and it came to 2.9 percent. That's how they did it. But to me that's not a rationale, but I thought that I'd received the answer on that.

Now, the monitoring of mechanism for assuring the quality of care was not compromised. I'll have to read Hansard, I didn't quite understand, it seems to me they were saying they were meeting with the Commission, and different things, but I must say that what I heard didn't impress me too much.

The Minister said, in my question about some of the work being done by private labs now and probably going out under Medicare or under another thing, and as I stated yesterday, I wanted to know if that was the case. He said that they added the three first months of the year, the last three years and he made a comparison. I didn't quite get the last comparison, when he said it was 8 percent last year, and 8 percent this year, but it's not really 8 percent, it's exactly the same. Because I think he felt that the increase of things should be 8 percent — (Interjection)— no, that was the first year there was more utilization, not from the second to the third year, but I think that the Minister did not really understand what I was saying. I'm saying, is there a possibility, and I don't think that you can prove that, maybe the Commission can tell me if there are safeguards, but my point was this. You see, they only have a certain amount of money and they'll have to cut staff, and it's a global budget so they'll do it, in most instances, the way they want to do it. And my question was this, not from one year to another, but because of these restraints, is there a

possibility that the hospital, because they are short-staffed and so on, will not do the same amount of work in their own labs? That's my question, not the comparison from one year to another.

I don't think anybody really knows the answer, I just want to warn you that this is a possibility. Then when you come down and you look and say, look, they stayed with this, but if you've increased that somewhere else, or if some of the work — because much of the work of the doctors is done in the hospital now, family medicine and so on — and that is paid through the hospital budget. Now, will that be transferred to doctors' offices and increase the Medicare. I think the Minister understands what I'm saying.

This is not an accusation or anything, I'm saying, will this happen? That was my question on these incidences.

As far as the emergency equipment, of course, the Minister promised that he's going to give us a list of frills and luxuries and that'll be interesting.

I might say then, it's 2.2 and not 2.9, and this is disjointed because we started, I want to finish, I don't want to go through the whole thing that I started this afternoon. I think I was getting carried away and we'll be here too long if I keep on with this. But I would like to say to the Minister — (Interjection)— cut it short, what I had to say this afternoon, that at no time did the previous government do anything that changed any of the things in their dealings with the doctors, except when it was time to discuss the fees. Of course, since the last administration they have become a union, they have been represented by the MMA, and the MMA had promised that they would be quite tough.

Now, what really happened and what caused the problem is this: That when the Medicare was passed in this province, Walter Weir was the Premier of the province, and he said, we are passing this Act, but we will not proclaim it for one year. Nothing else. No guarantee. Nobody did anything, except the medical profession increased their fees, 25, 30, 35 percent at that time. And this is exactly what happened, that there was an average of at least, in those days, at least \$10,000 more for every doctor in Manitoba.

And of course, they came, which was very poor management for the former government, if you don't proclaim an Act then you should freeze the fees. It was just like giving them a carte blanche, so they said, this is it, they raised on their own, without any negotiation or anything, just very unilaterally, they said, these are our fees, and when it was time to discuss it, well, then they were going to do it for a certain amount. And I don't blame them at all. I blame the government for not having safeguarded, and we repeated that and repeated that and fought for that during the debate on Medicare. Then the doctors in Manitoba became the highest paid, or the second highest paid doctors, in all Canada.

And then there was a reduction, and I think that anybody in his right mind should understand that, I don't think that Manitoba is that rich or has the population or the economy, or whatever. And it was felt that the happy medium would be around between 4th, 5th and 6th of the provinces, where they belonged. And they were allowed to get back to that. And that is what the doctors pointed out and said, well, for so many years we didn't get an increase like other people. That is true. But they didn't go back to the time of Medicare, they went only after that, and said, well from that date. And it was felt, rightly or wrongly, by the former government, that the doctors in Manitoba, when you compare with other provinces, — I'm sure the present Minister is doing the same thing, and this is what's being done. We felt that they should certainly stay with Saskatchewan — not necessarily with Alberta — and I might say that they have more. If my memory serves me right, the medical profession in Manitoba, although the fees are lower, have more take-home pay than the medical profession in B.C. because there are so many extra doctors in B.C. They have too many.

So I would think that any government that is going to be responsible, will look to see that first of all there is not an excess of doctors. You know, you don't allow that in other professions. Let's remember that that's the only profession in Manitoba that generates their own revenue, remember that. You know, there's a lot of things that the medical profession had that nobody else had.

Now, the question then was when they discussed — three days after a contract they wanted a certain amount of money and then they immediately put it up to us, a threat — if there was a confrontation it came from them — and they said, "If we don't get that we're withholding service from the government." And we said, "You're not withholding service from the government; you're not working for the government." So right now the situation was this: that the government had a Medicare and they say to the doctors that want to sign in a plan proposed by the government, well then you call it "opted in" and you accept a certain percentage of your fees or you accept — well that's the way it started — but then the fees are set by the government and of course they'll negotiate with you, and discuss with you, but then the government has the final word.

Now, the doctor then has a choice of opting in or opting out, but he certainly hasn't got the choice to say, "We're withdrawing our service," because nobody is forcing him. If he was forced to work in the plan, then he could say, "We're going on strike, we're withholding our service." But

the first step, if they are not satisfied with the government's plan — the public plan — then they say, "I wash my hands. I want no part of that. I'm going back to deal directly with my patient." And when I did say to them, "Well, you know, this is the best that we can do. This is what the Cabinet has decided," the same as my friend is saying today, "Well, then, we would hope that you're going to stay in, but if not, well then opt out." It wasn't an invitation to opt out; it was to remind them that this was their right, and that's a different thing.

Like the Member for Inkster stated today that we were quite concerned. We were, and many provinces were. I'll tell you, one of the biggest Conservatives — and a very nice guy, a friend of mine, Miniely in Alberta — had his problems with the medical profession. It wasn't only the NDP. I was going to these meetings and this was happening all across Canada. But here it was there because was supposed to be a socialist government and they were so mean on the poor doctors, and that wasn't the case at all. Nothing was done any differently here than other provinces.

And then Miniely, at one time, was readying some legislation because they were threatening to opt out and he was going to bring in — a Conservative Government — bring in the legislation that they could opt out all they wanted, they can go in private practice, but they would not extra bill the people over 65 — I don't see this legislation, I don't think there was any need for that but I know he was preparing that. For those over 65 or those on welfare, they would have had to do it for that amount of money, for whatever the fees were.

So I think the record has to be set straight once and for all, and that is the situation that we had. So if there was confrontation, it was a government exactly like this one today, who are saying this is what we're going to get.

Now, Mr. Chairman, this afternoon the Minister invited us, he said, "If you have any complaints, bring them to me." I'm going to do that because over the dinner hour I got a phone call — somebody I don't know and I'm just going to report exactly what happened on the phone without necessarily adding my comments — and the Minister can take it for what it's worth. But there's an example of some of the things that we get. We can't prove everything. If we ask a question it looks like we're leading, and there's a possibility that this is the case.

But anyway, this chap phoned me — this person phoned me — and told me that as of today or yesterday — he's in the psychiatric part of the Health Sciences Centre in the chemical withdrawal — there is a unit of 16 beds, and they were told that from now on the beds would stay but there would only be 14 people admitted. I mean, the beds would stay and they've been filled nearly all the time. So, because of a reduction in staff, there would be only 14 beds. He said that he's in another unit and he expects that they're going to be next.

He tells me that the morale is very very low. I'm talking about ordinary people now, physiotherapists, psychiatric nurses, and so on. One of the psychiatric nurses is getting ready to quit. I don't know whether the clerk, the person at the counter I guess, and so on, has already submitted her resignation and one of the therapists is also leaving, and he, himself, after many years, is looking for a job because he says, "I don't know how long we can stand this kind of pressure." He says, "As far as the kleenex are concerned, you're right on." He says, "It has been figured that the allotment for a person for kleenex is two and a half kleenex a day." Somebody came to the desk and asked for a kleenex, they gave him two kleenex and they said, "Here, that will have to last you all day."

Of course there's a bit of joking around, no doubt, but the concern then is that we're going to save on kleenex but we're giving toilet paper, so we're going to go in the hole in our allotment for toilet paper.

Anyway, this is the kind of conversation with somebody I've never met. The person gave me his name, but the main thing that the Minister could find out, is that a case.

Now the next question then will lead me to, is the Minister closing, has there been an order, or is that going to be allowed that they're going to close the acute beds? And is that how we're going to find beds for the psychiatric, the 20 psychiatric beds for the children or any others?

Now, Mr. Chairman, the point that was made and nothing has changed that with any of the answers. So far the Minister said he wasn't finished with the answer, but the rationale of, why 2.2, not 2.9? What I want to know before we leave this Estimate, the Minister seemed to be mellowing a bit or backing down — call it what you want — but say, "Well, fine, if it could be proven that the standards will suffer we won't stand for that." The Minister had said, "Well, it's not just an exercise because if we say it's an exercise, if we back down, well then they won't believe us any more and it's a waste of time."

I say, Mr. Chairman, if there is any difference between the governments — I guess it is to the rate — I guess we finally brushed away all these accusations in blaming one another and I think we've come down to brass tacks. We know where we stand. We know that we'd be accused of spending more money. We would have to tax the people. We wouldn't have cut all these taxes that were cut, we would have had to increase the tax, you know there are no miracles, there are no miracles. We would have come along, but we felt that this was the first priority and we felt — not

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saying that we wouldn't have tried to economize — and I must hasten to say right now that no matter what program, I don't disagree with everything that the government is doing. No doubt some of this, if it doesn't kill, if it doesn't take a long time, some good will come out of that as far as saving money. But what will it do? The next government will have it much easier to go in because then they will try to pad and there will be a lot of savings. Now I guess if the next government, if it's not too late, will try to reinstate the standards, because the standards will go down. The standards will certainly go down, and the dissatisfaction. We had good service in this field, we took a back seat to no other province in Canada. But the danger now is that we're going to go down and go down fast. Not with some of the programs that might be contentious, that everybody might not agree with, for instance, charging the people outside the province. I'm not going to argue that one that much. I'm not one that's going to oppose it the most. But those are clear, precise, and that is not something that will lower the standards, it'll make it tough for these students, but our first priority is for the people of Manitoba.

If we had premiums I could understand that they could pay their premiums, but there are no premiums in Manitoba. Probably somebody will throw something at my head there at the back, but I feel that in this case the situation is that you're not lowering the standards, and we have no premiums here, why should the people of Manitoba pay for people in other provinces? So I would agree, and I'm sure that this is possible that they could get some kind of insurance. I don't imagine it would cost them as much as the premiums they would have to pay in Ontario, for instance, to get the protection that they need here. So it's only fair. Anyway, these things, I want to give this as an example.

But now we've cut down the standards. And when I talked about the rationale, the Minister said we decided we'd put two — you know, that's without knowing anything at all about this field, and saying, well, what can we put? \$2 million. That's the way they think. It is important not to go over your head, not to spend over your head. They felt that they couldn't afford any more, our government would have not put the first priority on lowering taxes for people in the \$30,000 and up bracket, they would have put the first priority on some of this work on psychiatric beds for youngsters and keeping the standards up.

But we feel, and this is what we cannot accept, that there has been no rationale for that. The directive came from the Minister of Finance. This was done before all this exercise. Now, if the Minister says, well, we had to do something. And it's something that we won't be able to pull again because they won't believe us, but we knew what we were doing, we were bluffing. We came real low to really force them, but now we're going to relax a bit because there's no way that we want this to happen.

Well, this is done, it's going to take a little bit of the wind out of our sails, because then they'll be able to go back to these standards. But then the Minister certainly will have to back down from the statement that he's made. And certainly, as I said before, and I'm still ready to bet that you will have a deficit in the urban hospitals, that you'll have a big deficit unless you completely forget the standards. We're talking about the standards going down now. But there is no proof, as yet, until we see the return for the month of April, which was the first month in this new budget. And until we see that, there are two things: If there is no deficit at all, then you've got the situation now, but there will be a deficit. We claim that this is not realistic, the Minister bringing it in, and saying, this is what you have to do. If he says, that's it, no more, well we disagree with him completely. We're not with him at all because we don't think that's fair.

And if he says, well, all right, I was a little hasty, and we realize it now, because he's done that, he's come back on some of the statements that they've made about the former government and the department, they said, it's not exactly what we thought it was. And it might be. Then, I say, well then we're under-budgeting and it's going to cost money.

Anyway, we are concerned; we feel that there might not be a wholesale lowering of standards at this time, but if the Minister, and this is what we want him to do is back away from this, and say, all right, I made my point, they've really tried because that's one thing, I know that every single hospital has really tried, and some of them have gone too far.

The last point I want to cover, Mr. Chairman, the Minister also said — I remember that this is what I was talking about at the dinner hour — that we've never complained, I've never complained about the pay that the doctors were getting, I felt that it was like any other union, you had to be careful. But there's one question I asked the Minister and he certainly didn't satisfy me. I said, your orders were that the people of Manitoba could not afford all this, and you had to be very careful and everybody had to tighten up and cut down the frills and everything. Now, his department did that. The Manitoba Health Services Commission did it through this exercise. The Crown Corporations are doing that; the hospitals are doing that. In fact, the hospitals are being dictated to. This is what you're going to get.

I go back to the doctors' office, because first of all he said it's 5.16 and three of that is for their operating costs, and not too long ago it was 40 percent and all of a sudden it's jumped to

60 percent within a year. Their figures were 40 percent. All of a sudden, it's supposed to be 60 percent. All right. Now, the Minister said, well, we questioned that many times. We talked to the MMA. That was bargaining. That was bargaining, but that's not the attitude that you had with the hospital boards. You didn't just have a Commission that talked to the hospital boards and be satisfied, and that's it. You predetermined, before this was ever done, and this is what you're going to do. Then the Minister said, that's an audited statement. I wasn't questioning, that is something else which is possible when you're dealing with human people. I don't think they had audited statements of every doctor's office. My question certainly wasn't suggesting that the doctors were lying. That is not what I was suggesting at all, that there was any lying, and it didn't cost them that much. The same as I am sure the Minister is not suggesting that the boards of the different hospitals were lying and they didn't spend that money.

My question was, what is being done to monitor, to see, if they by rights should spend all that money, because right now you have a situation that you don't know what's going on in a doctor's office, and you pay it. As the Minister said that he's accepted 60 percent of the total fees for operating costs, in general, in global, there are some that are less and some that are more I would imagine. My question was, what are you doing about that? Let's say that this is perfectly all right, and I'm not suggesting that anything should be done, except if you follow the policy of the present government, who is doing that in every single other field, but he is not questioning at all the doctors. He is taking their word that it takes that much. He has no idea, he doesn't say, well, there will be only so many nurses and so many people there. He doesn't say that.

Maybe I'm saying this with tongue in cheek, but I want to make a point, Mr. Chairman. I want to make a point that the public are paying exactly the same amount, they're paying every single cent, for let's say those that are opted in. There's no other revenue. No other revenue at all so it all comes through Medicare, instead of Hospitalization. You say the people that manage the hospital, you say, from now on we're not taking your word for it, this is not what you want, we're going to tell you what you need. And the service would go down. Well, if you follow through, don't you think, Mr. Chairman, that the Minister then should do exactly the same thing in the doctors' offices, because we're paying the same thing?

Now I know that's going to be difficult, and I'm not really serious when I say that. I certainly do not think that we should be as hard with the hospitals either, I think we've got to take somebody's word, and I'm saying that if you follow through though you should be serious and follow through in the doctors' offices.

So, Mr. Chairman, with these questions, I thank the Minister for much of the information that he gave us. I can't say that I'm satisfied with all the answers. Some of them weren't answered as yet.

MR. CHAIRMAN: (1)—pass — the Honourable Member for Ste. Rose.

MR. ADAM: I just have a few comments to make. I would like to ask the Minister what happens if at the end of the year we have half of the hospitals, or 75 percent of the hospitals coming in with deficit budgets on their operations. Is the Minister going to pick up the deficits, and what happens if a hospital board says, well, you take over, take over your hospital and run it if you're not satisfied with the way we're running it. I'd like to know what the Minister's intentions would be in this direction.

I understand that the Minister has made a comment, I haven't been able to find it in the Hansard, that has to do with cost first and needs later. I believe the Member for St. Boniface touched upon this. I have difficulty with that statement, because I wonder how you determine the cost before you can determine the need. It becomes difficult — unless we ask the Member for Roblin. He'll be able to give us the answer, if the Minister can't.

That is a statement that I find is inconsistent. You have to ask two questions: The first one is, do we put cost before the needs of people, and secondly, then you ask, how do you determine the cost if you do not know what the need is. The Minister is telling this House that the reason that it is necessary for restraints in the coming years is because of the mess that they inherited from the previous administration. This seems to be inconsistent with what took place during the election campaign last fall, because I recall very vividly, and I'm going to read from Hansard in a moment. I recall very vividly last fall, when the Conservative election campaign was based on mismanagement by the previous administration and waste of money, and fat all over the place.

I would like to read some of the comments made in Hansard by the Minister. I was amazed, Mr. Chairman, because on one hand the election campaign was fought on the basis of mismanagement by the administration of the day, waste of funds, waste of taxpayers' dollars, and after the election it was a different story. It was no longer good management that the Conservatives would provide that would reduce taxes, but it was the fault of the previous administration.

I think that the comments that the Minister made on March 21st, on Page 52 of Hansard, are

callous to say the least, and I quote: "The government inherited a score of running taps all over this province, Mr. Speaker, and they are the kind of taps that can't be turned off overnight." A few lines down, he says, "a field of running taps, Mr. Speaker, running all over the place with no control and no concern. Taps of wastes. And that's why we are into restraint today."

Mr. Chairman, the taps of waste that he refers to are senior citizens' housing, in Ste. Rose, all over this province. They are nursing homes in Ste. Rose, that's taps of waste that the Minister refers to. Taps of waste running all over the province, running wild, no controls. The nursing home in Winnipegosis which he was invited just last Wednesday to attend, is a tap of running waste, according to the Minister of Health, and a horror story. Much worse, a horror story, according to the Leader. —(Interjection)— That is what I object to. The Minister has the nerve, after making these statements, to accept an invitation to go down to McCreary to cut the ribbons of a nursing home. The people of Winnipegosis are asking today, and they asked yesterday and for the last six months, where is the nursing home that was approved at the same time as the nursing home in McCreary which the Minister was to attend to cut the ribbon to officially open it.

What happens to the expense that they have made up to this point in time? What happens to all the efforts that they have put in in the last two years to obtain this nursing home? The people in McCreary know, they are aware, that if their nursing home had not started last June or July, that they would not have a nursing home today. They are aware of that. I was at the official opening, and I received many comments that day from people in McCreary, who said, we know very well that we would not be here tonight if that nursing home had not been started last year.

These are the taps of waste that are running all over the province. The roads that were built, running taps of waste and mismanagement. Now, I would accept the right of the government to cut back on new programs, but surely all the nursing homes and the critical home repairs that had been approved will be delivered. Those that have been approved should be delivered, and if the government does not feel that they should accept any new applications, that's fine and good. That's up to the government. But for the Minister to get up in this House and make comments like that, make blanket statements, on Pharmacare, Denticare, Senior Citizens' Supplements, everything, he makes a blanket statement on the whole works, taps of waste, running all over the province, I say that is callousness to the utmost.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, I want to get to the subject matter that has been raised by the Honourable Member for St. Boniface, the chief critic for his Party, but before I do that, I just want to respond to the Honourable Member for Ste. Rose on two counts. One, the comments he has made just now and the other one being the suggestions he made last night with respect to the hospital in his constituency, which I checked out for him.

First of all, the taps of waste that the honourable member is referring to, are the taps of waste that he has chosen to identify. They were not identified by me as taps of waste. I don't back away from the allegation that there are taps of waste running in this province, but for the Honourable Member for Ste. Rose to suggest that I identified personal care homes, and the personal care home in McCreary, and hospitals and health facilities as taps of waste, is not worthy of comment. Certainly, Mr. Chairman, there are areas in the health field, as there are in all fields, where there can be economies effected that are responsible and reasonable economies that don't impinge upon the quality of care.

Any business that consumes almost 40 percent of a budget in excess of a billion dollars, whether it's government business or anybody's business, is obviously one that bears continual managerial scrutiny and one that I think could be said, without fear of contradiction, is vulnerable to certain ineconomies, certain inefficiencies, and certain forms of expenditure that could be described as unnecessary, and if the Honourable Member for Ste. Rose wants to describe them as waste, or if I want to describe them as waste, so be it. But let's identify what we're talking about when we're talking about taps of waste. I was not talking about the personal care home in McCreary, or any other personal care home.

The Member for Ste. Rose has raised the question again about cost first, needs later. I've responded to that question several times and I would hope that the Member for Ste. Rose, who demonstrates from time to time, some interest in the debate on these Estimates, is interested enough to read the transcript of exchanges that have taken place between other members of his Party and me on that subject, and perhaps he will appreciate and realize the point that I have made, and I insist I made, and I insist on reiterating, that the reference that I made to the determination as to whether we were going to go ahead in certain areas or not, was a reference to the capital construction program that was approved in principle by the previous government, and of which we came into office as the inheritors, we made the decision that five parameters had to be applied to those particular requested projects. Certainly needs rank as a top priority consideration in

those projects, but what we said was, the first thing that we've got to look at, because our first responsibility, and we felt we campaigned on it and were elected on it, was to get the financial affairs of the province in shape. The first consideration was not only the capital cost of a project, but even more important, the downstream costs. The operating costs. It's not good enough simply to look at a particular project and say it's going to cost so many dollars in terms of capital. That isn't the criterion that is the crucial part of the equation. The crucial factor in the equation is the operating costs in relation to projects of this kind.\$

There are lots of things that people may feel they need; there are lots of things that the Honourable Member for Ste. Rose may feel he needs; he may feel that he needs a new car, he may feel he needs a new garage, he may feel he needs a new roof, he doesn't go out and get it until he determines whether he can afford to pay for it or not. That is simply and purely the rationale and the reasoning behind that particular approach, in that particular field, and I think it can be justified on the grounds on which the party to which I belong, campaigned and was elected.

Now the Honourable Member for Ste. Rose asked me what happens if 75 percent of the hospitals in the province come in at the end of the year with deficits? Well, Mr. Chairman, we don't expect hospitals to operate at deficit positions after the final budgets are approved. We're still working closely with the hospitals on the final determination of their budgets and hospitals have, in recent years I might say, Mr. Chairman, been quite responsible in living within their approved budgets once they and the government have come to agreement on their budgets. They've been quite responsible in living within them, once the agreement has been reached.

On our total facility budgets of \$325 million — that's Hospital and Personal Care Homes — the facilities traditionally, Sir, have lived within 1 percent of their budgets. So we're not confronted with the straw man that the Member for Ste. Rose erects at this juncture of this year. The hospitals aren't going to come in to the extent of 75 percent of them being over their budget and faced with deficits. If that situation should ever arise, let the Member for Ste. Rose raise it, challenge me on it, question me on it, when it's a reality, rather than when it's a figment of his imagination. The hospitals will reach agreement with us and it will be an agreement within which they can live.

Mr. Chairman, the Honourable Member for St. Boniface and indeed, the Honourable Member for . . . Well, just before I turn to that I wanted to answer the points raised last night by the Honourable Member for Ste. Rose, Sir, with respect to the hospital in his constituency. I appreciate his concern about that hospital and I repeat what I said this afternoon. If he or any other member of the opposition knows of instances where hospitals or health care facilities in their constituencies, or anywhere, are suffering from the point of view of a deterioration of patient care and quality of service, I want to hear from them. My door is open and my ear is open to them, and I will look into it and I will do my best to ensure that we can correct, immediately, instances like that that may sporadically arise.

It's certainly not a general condition, but I don't dispute the fact that there could be isolated instances and I will certainly respond when they're brought to my attention. But I'm not sure that the facts, as the Member for Ste. Rose presented them last night, are correct. I would like to respond to the allegations that he made by just advising him that my investigation reveals that, with respect to the lights in the hospital to which he's referring, one-third of them are off in the office and the hallways, but none are off in patient areas. The step that has been taken has been based on MHO representations and recommendations, the Manitoba Health Organizations. That has nothing to do with the government or the province or the Minister.

The Manitoba Health Organizations has made a number of recommendations in the field of economies, generally, with a view to the escalating costs of maintaining our health care facilities and our programs with which all Canadians, I'm sure, have shared some concern. That was an MHO recommendation that the hospital acted on, but patient areas are not affected.

As far as the dietary situation is concerned, I'm advised that there is no change in menus, and that my officials are advised that neither they nor anyone else, has any knowledge of a particular complaint of the kind raised by the Member for Ste. Rose. But if that is a factual complaint — and I don't doubt that the Member for Ste. Rose is acting on a basis of sincerity — if he wants to give me the details, I will look into it much more, I will look into it further. But I'm advised at this juncture that no one has any knowledge of that particular complaint and that there has been no change in menus.

As far as the linen situation is concerned, the Member for Ste. Rose raised that. The rule in that particular hospital is to change linens when necessary and it's left to the discretion of the Head Nurse in the ward in question as to what "necessary" means.

As far as staffing is concerned, the hospital has one vacancy that they have not replaced and they admit that they are being careful — "careful" is the word that is communicated to me — that they are being careful with respect to vacation reliefs.

And as far as their budget is concerned, Mr. Chairman, that particular hospital received the full

2.9 percent plus —(Interjection)— Well, the Member for Inkster sneers. But they received the . . . The fact of the matter is that some hospitals have received more than 2.9 percent and some have received less than 2.9 percent. In this case the Ste Rose hospital received the full 2.9 percent plus budget adjustments for recently concluded contracts.

That is the information I have thus far, Mr. Chairman. I submit that in an attempt to respond to the Member for Ste. Rose. I thank him again for raising those concerns and I repeat that if those aren't satisfactory answers, or if there are other facts that he has at his command, I would be happy to sit down and talk to him about them and look into them myself, or have my staff look into them.

Mr. Chairman, the Honourable Member for St. Boniface and the Honourable Member for Seven Oaks referred to the cost increase of 2.9 percent that we've been discussing a little earlier, as being 2.2 percent at the moment, on the basis of the breakdown with which I have provided them, because of the moratorium on equipment depreciation — the deferral for one year on equipment depreciation — which I have conceded is correct. But I would just like to emphasize, for the record, that that 2.2 percent that we're referring to is the budget that facilities currently have and does not reflect adjustments we are in the process of making.

That is the budget that has been struck up to this juncture, with them based, as I said earlier, on the actual voted hospital program budget for 1977-78, concluded on March 31, 1978. And they're adjustments that we were in the process of making, related to deficits and related as has been the customary tradition, to the obvious legitimate requirement for expanding the bases of hospitals on a year-by-year basis, because of the additional costs relative to contract settlements, etc., that can be achieved at any time of the year and that, when annualized, obviously affect the operating base with which they have to live.

The Member for St. Boniface, Mr. Chairman, asked me a number of questions; put a number of statements on the record related to doctors' incomes. I just want to say to the honourable member that, when we're looking at the overhead costs in the settlement on the fee schedule, negotiated with the MMA, that the overhead figure really is 40 percent. It isn't 60 percent. In fact there was some considerable dispute —(Interjection)— Well, I appreciate that but I think it can be explained, Mr. Chairman, although I hate to explain it really because the settlement was 6.88 percent. The problem is, that what I've been trying to say — which is an honest statement to make — is that it was a 5.16 percent increase based on the calendar year. But the actual settlement was 6.88 percent. The overhead improvement was about 3 percent of that, which works out to about 40 percent. It might have been 2.9 percent of that. —(Interjection)— No, but 3 percent of 6.88, plus there was a 5 percent northern differential which . . . —(Interjection)— No. Well, it's true that three out of 5.16 is not 40 percent. In other words, from the point of view of negotiating a contract or an agreement — the 12-month increase in the fee schedule is 5.16 percent — but the settlement as it's reflected in the increase in the fees charged, is 6.88 percent. It was moved ahead to April 1, to run on a fiscal year basis but those fees have gone up by 6.88 percent. —(Interjection)— Well, that's why I say that it's rather difficult to explain. —(Interjection)— But what we wanted to say, for example, if critics say, "Well, you're not giving workers in the hospitals as much as you're giving the doctors. You're giving the doctors 6.88 percent." At that point I want to argue that we're giving the doctors 5.16 percent because it's based on 12 months, that's what it is. The other contracts were all based on 12 months. But when we're trying to assess how much of that went to overhead, we've got to look at the whole increase. —(Interjection)— Yes, we've got to look at the whole increase, which is 6.88 percent. —(Interjection)— No, but the whole increase to the fees, the fee that you're going to pay as a taxpayer, the fee that's going to be paid to a doctor by the taxpayers on my behalf when I go and have a certain procedure carried out — a medical procedure carried out — is going to be 6.88 percent higher than it ever was before, as of April 1, that's right. And about 40 percent of that . . .

A MEMBER: Okay, as long as you say 40 percent and not . . .

MR. SHERMAN: . . . was calculated in our negotiations with the doctors and finally accepted by us. They started at 46 percent, I might say. —(Interjection)— Well, anyway, I hope that perhaps clarifies that point.

I might say that that 40 percent compares with the figure taken across the country, in medical associations. There was some dispute as to whether it should be higher here, 46 percent here. We didn't accept that. We said it's 40 percent in other jurisdictions and that's all we're prepared to accept here.

The Honourable Member for St. Boniface said that the hospitals have really tried in this exercise, in this challenge, and I concur in that. They have really tried, and it's been very gratifying and it would be very gratifying to him — and as I said this afternoon I'm sure that although he might have approached it from slightly different parameters and different levels he would have probably

undertaken the same kind of exercise in terms of trying to contract the expansion of health care costs, as we were undertaking. Because I think all of us on the North American continent, nowadays, face that kind of a challenge. I think that the hospitals and the health facilities, generally, have responded; they have really tried hard and I agree with my honourable friend on that.

Most of them have tried in a very creative way. Some others haven't been quite as creative about it and so we've had some difficulties. —(Interjection)— Some, too creative.

I would say this, in fact the truth of the matter is, Mr. Chairman, that some commentators in the field, in some cases they're administrators, in some cases they're board members, in some cases they're professional medical people, doctors, have suggested rationalizations and economies that would go further than we want to go, because they would have an impact in terms of employment. —(Interjection)— Well, they'd have an impact in terms of employment and layoff of personnel that we simply can't entertain. We're not interested in creating unemployment, we're interested in maintaining as many people and as many jobs as we can, and we don't want to get into programs that are going to cause unemployment. So there are some suggestions that have come to us that go too far.

Mr. Chairman, the Honourable Member for St. Boniface says that the Minister may have eased up or backed down, or may have to back down from the original position that I took with respect to the budget increases. I don't feel I have to back down, Sir, because I don't feel that we ever were in a position where we were fronting up. We said that we were going to limit the increase in the actual hospital budget to 2.9 percent. We never said that was all the money that hospitals would get, and the hospital personnel themselves knew that there was other money. They knew they'd be getting adjustments for their deficits, and adjustments to their bases, but what we said was that the actual budget increase, and as I pointed out when I was on my feet earlier this evening, we followed through on that, in terms of the percentage applied to the actual voted budget for the hospital program as of March 31, 1978. In other words, the last day of the last fiscal year.

So there has been no bluff, Mr. Chairman, and there has been no front-up situation from which we have to back down. We are not going to be intransigent; and we are not going to force hospitals and health facilities into difficulties; and we're not going to permit deterioration of patient care or quality of services. But what we wanted was a really dedicated, sincere, intensive effort to help us get the expansion and escalation of health costs and hospital and health facility operating costs under control. And that was why we put that limitation on the budget.

The Honourable Member for St. Boniface asked me about the rationale for it. I don't know that I've explained that fully. I did say that we came to that conclusion in Cabinet as a necessary measure. It was not the doing or the initiative or the undertaking of the Manitoba Health Services Commission and it was not the initiative of staff in the Department of Health and Social Development. I take full responsibility and my colleagues take full responsibility for having struck the figure of 2.9 percent and we'll have to live with it and stand by it, and we do.

The perspective from which we approached it was the desire to reduce increases in hospital budgets, to reduce the expansion of hospital budgets, not to reduce existing budgets, but to control, contain, and contract the rate of expansion of those budgets. So we looked at a cost increase that could be considered, I suppose, or a few months ago was being considered as perhaps the kind of average, the kind of norm for the things that were happening across the industrial and economic and social spectrum of the country in the late winter and spring of 1978, and agreed that 6.4 percent was probably — somewhere around 6 to 6 ½ percent — was probably around the average that various organizations, associations, industries, wage earners, corporations, etc., were probably going to be looking at in terms of increased costs and wages in calendar 1978.

We said that that rate of expansion is too fast, too high in the health and hospital field, because we feel, from discussions and conversations and our own examinations of the field, that there are economies that can be achieved that will justify a lesser expansion, a lesser increase in budgets; and we discussed, very intensively in Executive Council, the whole range between zero and 6 ½ percent as to what was a reasonable figure to strike, based on the information that we had and the knowledge we felt we had, of the relative richness of both staffing and ancillary services and supports related to the Manitoba health delivery system. And we came, in our own wisdom, to the conclusion that a rate of increase of 2.9 percent, approximately 3 percent for 1978-79, was achievable and was justified in the light of what we felt was our mandate.

We looked at the nursing home situation, and because they operate on a smaller base and obviously therefore have narrower opportunities to effect savings and economies, settled on something somewhat higher for them, approximately 4 ½ percent, 4.4 percent. So there was a difference of 1 ½ percent between the two.

That is how the figure was arrived at. The application of it I've described to my honourable friends. It was simply applied to that net actual budget base on March 31, 1978.

The Honourable Member for St. Boniface asked me about referrals to private laboratories and whether this would increase the cost to be borne by Medicare, and my conviction at the moment,

Mr. Chairman, is no, that will not happen. I am not able to give him precise figures on that point beyond the information with which I supplied him. We don't have the figures on hospital lab activity, so all we can do really is look at the other side, private labs, and that's why I provided him with the information that I did earlier, comparing the three month periods for 1976, 1977 and 1978, to see what was happening in that category. And to date, at March 31, 1978, we have no indication that the danger to which the Member for St. Boniface refers, will in fact occur. No indicators that it will, in fact, happen. But I would concede that it's a valid point that will have to be watched and monitored. If it does occur, we'll have to take remedial action. Thus far we feel that there won't be that problem, Sir.

The Honourable Member for St. Boniface referred to the withdrawal of some beds in the chemical withdrawal unit at the Health Sciences Centre. The explanation for that, Sir, is that I've been pressing, with considerable intensity I might say, for some time, for some emergency psychiatric beds. We have finally cut through the labyrinth of difficulties, or at least some of the difficulties that always occur when you are trying to free up beds for other purposes, and we are in the position now where we're going to be able to have four or five of those beds in the chemical withdrawal unit at the Health Sciences Centre converted for emergency psychiatric use.

I believe that this is a good step, a good thing, and a very necessary thing. Even my officials in the Alcoholism Foundation admit that the use of all those beds in the chemical withdrawal unit is not necessary, that they can get by with fewer beds, and I want to have some emergency psychiatric beds made available as quickly as possible and I have wanted them since last November. But as I have suggested to my honourable friend before, and as he well knows, it's not always difficult to get those things cleared overnight. But that's the answer to his question.

MR. DESJARDINS: I think you meant "easy."

MR. SHERMAN: It's not always easy to get those things cleared at all.

MR. DESJARDINS: You said, "always difficult."

MR. SHERMAN: That's right. It is always difficult to get those things cleared overnight.

Just in conclusion, Mr. Chairman, to the Honourable Member for Seven Oaks, the \$7.00 per diem at the hospitals for patients paneled for personal care homes goes directly to the hospitals. That's calculated into their budgets. —(Interjection)— Well, it would be. It's calculated into the budget. It's part of the final budget and the final budget has the 2.2 superimposed on it, yes.

On the question of deficits and whether or not these should really be counted as an addition to their budgets for this year, we do count them as an addition to their budgets for this year, Mr. Chairman, because at the present time the hospitals are financing those deficits out of operating revenues. So obviously if we pick up their deficits, then they don't have to finance them any longer and it does make a difference to their available resources.

I hope, Mr. Chairman, that I've covered most of the questions that were put to me. In any event, if I haven't, I know my time is up.

MR. CHAIAN: The Honourable Member for Seven Oaks.

MR. MILLER: Mr. Chairman, a series of questions. With regard to the deficit, 1978-79, the Minister did indicate that he couldn't foresee, or he ordered the hospitals that they would not be able to incur deficits this year. Did I misunderstand him, or is that so? That in fact, any deficits that the hospitals get into this year, will simply be left to the hospitals to worry about, that he's not inclined to consider them for next year, as is the case every year.

MR. SHERMAN: Mr. Chairman, there would be some deficit aspects that would be met by the Commission, but deficits within the global budget, at this juncture, are not being acknowledged for the future by the Commission and by the department as deficits that we would be prepared to pick up at the end of the year. That, I think that my honourable friend would concur, is part and parcel of the understanding of the approach that both sides take when you go into a global budget operation. But anything outside the globe, for example, residential and authorized charges, non-commission income, capital costs, they'd be picked up by us.

MR. MILLER: Mr. Chairman, the hospitals haven't yet finalized the negotiations with the various staff within the facility. Will the deficit that the Minister indicates might be picked up, certainly capital and other things I realize that, but would a deficit which consists basically of the salary increases that are going to be negotiated, is that going to be accepted as part of the deficit that will be honoured?

MR. SHERMAN: Well, the hospitals are estimating right now what those new contracts, new wage levels will be, what the cost will be relative to them, and we will be taking that into account. Obviously, we've got to adjust their bases as well, and when we make the adjustments for the existing deficits and adjust their bases and finalize their budgets, those new wage agreements shall be taken into account. They're on the threshold of being finalized right now, and the hospitals are estimating what they are right now.

MR. MILLER: Mr. Chairman, as I see it then, what the Minister said is this: He said the 2.9 is explained by the fact, the 2.9, as he says it, is explained by the fact you start with \$234.1 million, you add on to that the savings, or the revenue, I should say, the revenue that the hospitals will earn through the elimination of the free drug outpatient program, and the deficit of \$1.9 million, or close to \$2 million which the hospitals have received, to cover their 1977-78 deficit. And as I indicated, that money you include as part of the 2.9.

But in fact, that money is money that has already been spent by the hospitals. They haven't got it, they're into the bank for it. They're simply going to go to the bank and pay off the debt, and they can start borrowing again when their credit is good, provided, of course, the bank knows that the government will honour it and will stand behind the hospitals, because I just can't see banks lending money to hospitals without some assurance that the government is going to stand behind them and I can't imagine any of the banks wanting to foreclose on hospitals. It's not something the bank is eager to do, I don't think.

So when you say that's part of your 2.9, the paying off of last year's deficit, that's just bookkeeping to me. The fact is that on the sheet distributed by the Minister earlier on this evening on urban health facilities, which represent about 70 percent of all hospital costs, and that includes Brandon as well, what you indicated was that the hospitals asked initially for \$197.8 million. That did not include, did not include salary rate increases, which represented a 9-1/3 percent increase over the 1977 approved budgets.

And then you indicated that although the hospitals asked for \$197.8, exclusive of salary increases that they may be faced with — and salaries do represent about 75 to 80 percent of their operation — you indicated that in fact the Health Services Commission's final budget, which the hospitals are apprised of through the Commission on the orders of government, were \$184.8 million, which means an increase of \$3.9 million, or 2.2 percent. And that's really the figure I go on and I think that's the figure we should be looking at today because the other, as I say, is bookkeeping. So what you are talking about is a 2.2.

What you have done, in order to achieve that 2.2, you've declared a moratorium on equipment. Now, if you declare a moratorium on equipment there's a lot of things you can cut out. But I think you're just sort of stalling off the day, because next year you're going to be faced with double. You're reducing capital cost allowance. again A I think it's simply an attempt to do something this year which will come back next year, because these things have to be replaced. Nothing lasts forever.

Reduction in loan repayment requirements. Again, it's a temporary stoppage, but it can't possibly continue and you're going to be faced with double next year. It's sort of like an accordion, you're expanding it, you're stretching it.

And then you say, higher offset income, which brings me to that \$7.00 per diem. You said that the \$7.00 will be collected by the hospital and will be left with the hospital. In other words, this is higher income to the hospitals. And this raises a concern on my part, because what you're basically doing is this. You're saying, let the hospitals collect this money, this is if it's a semi-private room, or a private room, they retain the revenue there, and the \$7.00 per diem, which I believe you indicated — and correct me if I'm wrong — was it \$2 million or was it more that you anticipated would flow to the hospitals? —(Interjection)— In excess of \$2 million. All right. That \$2 million would go to the hospitals. I'm concerned, because you have here a situation where this is an incentive, an incentive to hospitals to get as many people, long-stay patients, who are in a position where they might, indeed, qualify to go into a personal care home. There's an incentive on them to get the person paneled so they can start collecting their \$7.00 a day, because they need the income. They're going to get the income.

Mr. Chairman, I can even see a situation where the Commission may say to a hospital, now, how come that less of your long-term patients are paying \$7.00 a day, whereas the Hospital B or Hospital C, they've been alert on their toes and they've been getting revenue from their long-term patients because they want to raise their revenue.

So you're creating a situation where the hospitals now have an incentive to panel people to collect \$7.00 a day, and it pays them because it's going to benefit them. \$

So Mr. Chairman, I still say, and listening to the Minister's explanation of what occurred and how he arrived at 2.9, I find it interesting, because this ties in with the things that he has said over

the last few days. The other evening he talked about the essential thrust of the government with restraint, and he said that in the context of why they didn't really work that closely with the Commission, because they felt the Commission members wouldn't perceive the problem as the government does because the essential thrust was going to be restraint, that was their goal. It was therefore up to government, they had to make that determination.

The objective was to hold the rising costs. So they examined it very carefully, and they analyzed and they got information across the country, and they saw that the increases in other areas — generally, industry — was going to be about 6.4 percent in costs, wages, and so on. So they were sitting there, and 6.4 percent was apparently going to be, in their opinion in March or February, whenever they were looking at it, that might be the increased costs which would be the average across the country. But they didn't want to go to 6.4, so some where they sawed it off and they said, we'll go to 2.9. And I say that is not a calculated amount, that is not something that they arrived at by discussing with the hospitals, because we know the hospitals asked for 9-1/3 percent, excluding salaries and wages. —(Interjection)— The Health Sciences Centre, my colleague says, was asking for 12, I don't know but on the figures that the Minister gave here, it's 9-1/3. So, basically what the Minister is saying, is this. "We decided it's going to be 2.9," whether in fact, they can live with it or not —(Interjection)— Well, 2.9 is what he says in Cabinet. Now we know it's 2.2, not 2.9.

What I found interesting is a statement the Minister made, I think it was last night, when he likened the situation, in response to one of my questions, he likened the situation as similar to that which exists in industrial bargaining or negotiations, where the employer, knowing that the employees are going to ask for ten percent, he says, let's offer them a reduction of 2 percent, we'll start at that point. The employees ask for 20 percent, everybody hoping to settle at 10.

And that seems to be his approach here. We'll tell the hospitals they have to live within 2.2. We'll give them extra revenue because they're going to be able to now charge \$7.00 a day for long-term patients that can be paneled, so we're going to give them extra revenue there and encourage them to get these people paneled so they can start collecting their \$7.00 a day, and if they don't, let it be on their head.

A MEMBER: Encourage them to keep them there.

MR. MILLER: Well, they keep them there and charge them \$7.00. You get \$210 a day (month?) from them. So I find it strange that he likened the situation to what occurs in the industrial field, in bargaining, in negotiations. And so they came up with this 2.2, sort of waiting for the hospitals to come back and make a counter offer. You asked originally for 9-1/3, well, we're saying 2.2. Now, let's get together, where can we meet halfway, where can we compromise. That's the sort of thinking that apparently went on in Cabinet, which I find very strange, because that's no way to determine how much the hospitals need to live on.

We've indicated before that in fact, in our opinion, this is totally inadequate. It's inadequate because unless the hospitals, unless the hospitals were really misusing funds up to now, totally misusing them, lavishly misusing them, excessive misuse, unless they were doing that, then I can't see how the Minister can simply go from an 8 percent increase last year to 2.2 now. —(Interjection)— Eight percent plus a deficit last year, which he acknowledges, down to a 2.2. Unless there was such waste, such unnecessary spending — I have yet to hear from the Minister where he indicated that, in his opinion, particular programs at the hospital shouldn't have been there or should have been closed down, what was actually wrong in those hospitals? I've never quarrelled with new government's, or any government's right and responsibility to say we must look at alternatives.

So you look at alternatives, and then you go to an institution and say, instead of doing it this way, do it that way. We think this is better, more economical, more cost-efficient, and then you introduce the change. You don't cut them off at the knees and say, we're reviewing it. In other words, you don't destroy a program, you don't mutilate programs, you don't create hardships for people first and then review later. You review first, bring in your alternative if it's more effective and introduce it when you're ready to introduce it, when the alternative is possible. Don't just shoot blind from the hip. And that's what's happened today. It's obvious that the Cabinet, in due deliberation, were given certain figures on estimates of what they thought would be the rise in costs in other areas, other segments of industry and public business; they saw 6.4 as a figure, they decided that was too high and they just said we'll go for 2.9. Now we know it's 2.2, and it's dropped because I can see an offset revenue. They've now suddenly got over \$2 million in the \$7.00 per diem, they've got a savings at the Health Sciences Centre, certainly, and maybe elsewhere on the outpatient drug programs, and there's revenue going to be flowing to the hospitals for that. So, it ends up basically with the amount of money that's going to the hospitals, at about 2.2 percent, even though the printed line does show, not 2.2, but 1.74, or 1-3/4 percent.

Now, the Minister may prove us all wrong. We may, all of us, be wrong, and he may have the

last laugh. He may come along next year and say, I told you they could live with it, they've lived with it, everybody's happy, they've negotiated settlements, they're paying new wages, they've got a contract, and they're doing it all within the 2.2 percent. And if he does that, I'll be the first one to get up here and congratulate him. I predict it's not going to happen. I predict it's impossible.

I want an assurance from the Minister that in fact, when the hospitals come back to the Commission now with their budgets and indicate what they've had to cut in order to try to fit this budget, that he will take an interest enough to assure himself they're not cutting out programs such as that psychiatric day care program I mentioned at the Misericordia, because that would be penny-wise and dollar foolish. The hospital might save money, but it'll cost the department and the people of Manitoba more. So that sort of cutting he has to avoid, and the Commission has to avoid.

That's why I'm critical that he has ignored the members of the board of the Commission itself, that dealing with the administrator — the chief administrator, the general manager, or the president, whatever other title he has, the chairman — is not enough, because basically he is an employee of government, and he's an administrator, and he's a very good administrator, but he can certainly tell, he has been around long enough to know the direction that the breeze is blowing. He knows it, and I give him full marks on that. He's a professional, and he knows exactly, he's one step ahead of government usually, in determining what their thinking is. So he got the message without necessarily having it spelled out to him verbally.

You can't leave it to the administrator. I'm critical of the Minister that he has not had more contact with the other members of the board, or the Commission; that he hasn't allowed them the opportunity to pass an opinion on this kind of minimal increase to hospitals, because they would be concerned with what programs would have to be cut. They would be concerned with what curtailments would take place within the hospital in order to try to live within these narrow narrow parameters, they would be concerned about that, very much concerned, and would want to indicate their concerns through a resolution of the Commission, but they haven't had that opportunity.

So I'm not asking the Minister questions now, I'm simply pointing out to him that the hospitals are faced with an impossible choice here. They are going to try to meet the government's requirements, I know that. In trying they may do something they don't want to do, but they may be forced to do, with Misericordia they were forced to cut out a program simply because they felt that they had to meet the limitations — dollar limitations — imposed by government. So it wasn't a question of flexibility. Without the funds they have to cut something.

They're cutting down on staff in a different way. If somebody phones in sick they don't put in a replacement; let somebody else carry it. If there are summer vacations coming along others will have to, they hope, cover for the staff that's away, and in that way try to save. But that must inevitably lead to a deterioration of services, it must lead to less services and it must lead to a morale situation within the hospitals that will take its toll, and has to take its toll.

So I'm predicting now — maybe I'm all wet, usually I don't like to make predictions because I'm very cautious — but I'm predicting that they can't live within this . . .

A MEMBER: You're too conservative.

MR. MILLER: I'm conservative. They can't live with this, they're going to have to come back and ask for more; or failing that, they're going to rack up deficits. If they rack up deficits then the suggestion that the Minister says, "Well, certain kinds of deficits we'll accept but others we won't," is untenable. Unless the Minister is prepared, the next logical step, is to take the hospitals over and run it himself, in which case he can do what he wants.

But the Minister, surely has to be flexible enough to recognize that the people running the hospitals are not dolts, are not idiots, they've been doing this a long time. Although there's a certain amount of fat, I suppose, could be squeezed out of any operation, to go from their present level to 2.2, is asking almost the impossible, considering that they have not yet settled with their staffs. And whether the increase is 2 percent or 4 percent or 6 percent, you're dealing with millions of dollars because it represents 75 percent of their budget, so it isn't just a couple of hundred thousand dollars. So no way can they do it with this 2.2 percent. And when the Minister has to deal with deficits next year he's got to recognize that the figure he gave them makes it impossible for them to function and negotiate with their staff for any reasonable increase at all.

MR. CHAIRMAN: The Honourable Member for Ste. Rose.

MR. ADAM: I just have one comment to make, very briefly. The Minister wants to leave the impression, in the statements that he made on March 21, that he was not referring to health programs; and I want to suggest to him that he was, in fact, referring to health programs, in that he was

presenting his opening remarks on the Estimates, or speaking on the budget, and I will again read from Hansard which indicates that he was referring to health delivery and health care. I quote, from Page 52:

"A field of running taps, Mr. Speaker, running all over the place with no control and no concern, taps of waste, and that's why we are into restraint today, and that's why the health care and social service patterns and programs of this province are in jeopardy."

And I am saying that he is directly referring, by that comment he's making a blanket statement on the delivery of health care and the programs; and that includes nursing homes, that includes nursing homes, Mr. Chairman. If I ask the Minister how much water he uses in his bathtub I know he'll tell me that it's none of my business. But I will ask him then, you know, how he would like to have to use only three inches of water to bath, as is the case with some of our patients in our hospitals. They're not allowed to use more than three inches of water.

I would ask the Minister also, if it is not a fact that when the staff is away on sick leave that there is no replacement. This is the information that has been given to me and I have to accept them as being correct. So I don't want the Minister to weasel out of the comments that he made on March 21.

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

MR. DESJARDINS: I won't be very long, Mr. Chairman. I want to clarify something which I figure is quite important, though. The Minister stated that the \$7.00 that the hospital may now charge for people that are paneled to go in a nursing home, \$7.00 a day will go to the hospital. But that is approximated and is covered in their 2.9, that's why the reduction to 2.2.

Now, my concern is this — and I hope there'll be some safeguards — the hospitals that are really strapped for funds, will they be in a position, in the dangerous position, of having the temptation of trying to have more people paneled and trying to keep these people there; because as soon as they go and somebody comes in that legitimately should be in an acute bed they don't get that \$7.00 anymore. —(Interjection)— So that is a real concern that I have. I trust the people in the hospital, but that's a temptation when you feel that if you're strapped and you want to make a few bucks that this might be what's going to happen. And that might work then instead of getting people out of the hospitals, that you're going to have people staying in the hospital because they're worth \$7.00 a day, that they would not get without that. I would like to see, is there some safeguard, does the Commission have any ideas to make sure that this will not be the case, because that could be very dangerous and we would be going in the wrong direction, and certainly not achieve what we want to do.

Now, the Minister said that in the chemical withdrawal, he explained the closing of two beds by saying that soon he'll open four emergency psychiatric beds, and I'll accept that. The Minister has said that he's talked to the Alcoholic Foundation and so on, they accept that. But my concern is this, I was told that these beds will remain open and what will that do? The four extra psychiatric beds, will they be in that unit with the chemical withdrawal, will they be filled? If not, if you're going to have two empty beds are you just saving the money from those two empty beds to put them somewhere else? Or are you trying to get the space, not only the beds, the space to put those psychiatric beds there? Does the Minister follow me? Those are the two questions.

Now, I think that we achieved something. Now the Minister said that he is not — and he brought this up — he said that he hasn't had to back down at all because this was his intention; then he is closer to what we've done, he's saying the hospital will come back. But that is not what he led us to believe in the House and I'm sure that if they read this today the hospitals will see some of the pressure reduced, because the Minister had stated that public pressure will not stop the government. Then in the newspaper — unless he was misquoted again, but every statement was the same — and here he says, "That the Tory Government meant business when it laid down the 2.9 percent budget, and that the restraint program for the hospitals isn't just an exercise." Yesterday he was talking that it was an exercise and today it isn't.

"They, the hospitals haven't had the challenge put on them before," and it doesn't say that they said that to him. Now he knows why I was incensed and I didn't like the idea that he was saying that this was never done before.

He says, "They, the hospitals, haven't had the challenge put on them before," the Minister said. Adding, "it's no longer a challenge if you say it's only an exercise and we're going to ease up on it." If my honourable friend is saying, well, all right, we've gone so far, in fact, that's what he's saying now, and he's going to have another look and then we'll decide. Well, then that certainly relieves some of the pressure.

But then again, this will be reviewed again, but it's the standards that concern us the most, and the statement in there that the Minister is saying that they're coming up with great ideas, but what? Staff cuts, bed closures and standard of care, and that's what's our concern. We can argue

on that. The Minister made the statement, "The standard and the service will not change at all," and that is the thing that we don't believe. I think this is the same Dr. Krahn, was his first name Henry, a candidate of the government, but had he been elected might be the Minister of Health, I don't know? And he's not too happy either. He's talking about, "I've got a 30-bed ward and six beds are tied up with geriatric admissions. We're told at the end of June we have to close seven beds. That brings us down to 17 effective beds." It's a hell of a drop. "His assessment of the 2.9 percent ceiling was bitter but more polite than the opinion of some other officials. I'm terribly opposed to it and distressed to no end."

Then the administrator, himself, says: "It's important to the extent, in our judgment, that certain areas of patient care will be compromised if we have to live with 2.9." Actually, it's 2.2, so the Minister is, and I'm glad he is, he is backing down, because it was always made clear to everybody in the House, and outside of the House, that that's it and you had to live with it, because if you ever gave in a bit, well then it's no longer an exercise, you know, they won't believe you.

Now, how far is he ready to go? Is he really going to look at the need? And is he going to — well, I hesitate to ask him that because he's saying now that the standards are not suffering and everybody else hears that there's all kinds of things going on, that the service and the standards are going down, Mr. Chairman. I wonder if he can answer the questions? The other one was a statement that he can comment on if he wants. But the question that I've asked him about that \$7.00, and then the emergency psychiatric beds.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Yes, Mr. Chairman, I'll attempt to do so. First of all let me say that I believe that the approach that has been taken by the Honourable Member for St. Boniface and the Honourable Member for Seven Oaks, has been extremely healthy and helpful in analyzing some of the problems and challenges that we all face, not the least of us being me as Minister, in this field. I welcome their suggestions and their comments, and I am trying to deal with them in the responsible manner in which they're put to me and give them as much information as I can on them.

The paneling on the \$7.00 per day patients, Mr. Chairman, will not be a problem for Manitobans because the paneling is done by Care Services through the Department of Health and Social Development, it's not done by the hospitals. In the rural hospitals it's done by the regional staff of the Department of Health and Social Development. The hospitals, simply, are not in a position to exploit whatever opportunity my honourable friends feel might be there for that kind of practice. So I'm not concerned and I don't think members of the Committee need be concerned about hospitals paneling patients in order to pick up the additional \$7.00.

We know, and the Commission knows, hospital by hospital, where the approximately 725 patients occupying acute care beds, who have been paneled for personal care beds, are in Manitoba. So they know what figures apply to what hospitals, and as I've said, all panelling, in the past, now and in the future, has to be done through Care Services. —(Interjection)— No, it doesn't cover the Rehab beds.

The question of the psychiatric beds and the chemical withdrawal unit is next on the list, Mr. Chairman, and I want to assure the honourable members that those beds will be filled by acute psychiatric patients, they are not going to be standing idle. We are not talking about establishing a separate unit, or a separate ward, they will remain where they are, but they will be manned, or womanned, and staffed, by the staff of the Health Sciences Centre, and they won't be done through the Alcoholism Foundation. It'll be simply a matter of the Health Sciences Centre staffing those beds, and we will put acute psychiatric cases into those beds, in the same location in which they're currently sited.

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

MR. DESJARDINS: I don't quite understand. I always felt that they were staffed by the staff of the Health Sciences Centre. There is not a special staff for the Alcoholism Foundation in that psychiatric unit at the hospital. If it is, I stand corrected, but I doubt it very much.

MR. SHERMAN: That's correct, Mr. Chairman, but they may be different personnel that were staffing it. A different unit, but it will be a unit from the Health Sciences Centre that will be assigned who are psychiatric nursing staff, who will be assigned to it. They will still be in the same location, but they will be serviced by a different staff, but it will be a staff that will come from another part of the Health Sciences Centre.

The honourable member referred to my statements with reference to the 2.9 percent budget increase and my statement that the government was not just engaged in an exercise, and we're not intending to back down on that position. I reiterate, Mr. Chairman, that that's the position we're

still holding to. I've explained how we arrived at the 2.9 percent, I explained what the 2.9 percent is based on, and I've explained that the hospitals will be getting additional money, and know they'll be getting additional money. That doesn't affect the actual mathematics relative to the actual hospital budget voted for last year. —(Interjection)— We're standing, at this juncture, we're certainly standing on that 2.9. We haven't got the reports all back from the hospitals yet, but we're standing on that 2.9. We haven't had firm indications from the hospitals that they can't do it. When we get the reports back from the hospitals as to how they're coping with their budgets, I admit that we're not inflexible, we're not intransigent, we want the review of the commissioners and we want to look at the steps the hospitals are taking themselves. There may be room for suggestions and adjustments, but the 2.9 percent is a firm figure applied to that March 31, 1978 base, and additional money will come through the deficit adjustments and the adjustments to the base that will come.

There's one other area, Mr. Chairman, that I think we should look at, because I've been asked about and I haven't answered it, and the Member for St. Boniface has alluded to it again, and that is, where can these savings be made, why did we strike that kind of a budgetary position, and where can these savings be made, and what are the frills? I would like to tell him for the record that admittedly all these things bear investigation, but we have had many suggestions from persons in the field, related to hospitals, as to what can be done to achieve savings.

The Member for St. Boniface referred to a recent statement by Dr. Henry Krahn, and I think that the honourable member would admit that although Dr. Krahn was a Conservative candidate in the last election he has had some very strong and outspoken things to say about the health field and he hasn't picked any favourites. He's been just as critical of me as he was of the previous Minister. —(Interjection)— He's had some pretty strong things to say, and I think the Honourable the Leader of the Opposition has been on the list of persons to whom Dr. Krahn has mailed letters critical of certain things in the health field, and by implication, critical of the present government. So while I admit that he was a Conservative candidate I think he has taken a pretty non-political, and if I might say so, in some instances, belligerent posture towards the Health Department, regardless of who was occupying the Ministry. He has written, in a letter dated June 5th, which was yesterday, which apparently is a letter that's been directed to the newspapers as well, to the following effect, Mr. Chairman. I'm quoting directly but from the middle of his letter. "In some hospitals we have seen impressive improvement in the way that money is being spent. In these hospitals there has not been any suggestion of closing beds. In a few other hospitals there have been few, if any, visible signs of reducing costs apart from areas of service to the public. Beds are being closed and nurses and orderlies are not being replaced.

"My dismay was directed not at the government" — and here he's referring to the interview in the Tribune "My dismay was directed not at the government, but at those hospitals that refuse to adapt to the commendable no-nonsense, common sense approach of the new government. Your reporter and I talked at length about some examples of frills that could be done away with. There are numerous non-clinical positions that were created in hospitals in the last eight years that could be terminated and nobody would notice any difference. Why do we have to spend hospital funds to provide free offices and staff to fee-for-service doctors in the ambulatory care facility? Our emergency departments are seeing more than 80 percent non-emergency visits at a cost of over \$20 a visit when the usual office visit costs only \$7.70 in the doctor's office. It is things like this that should be dropped before we stop doing the tasks that hospitals are best suited for, such as looking after patients who are desperately ill.

"It is obviously very tempting for some of our hospital administrators to close beds rather than laying off redundant employees in areas that are less essential. Maybe Mr. Sherman is asking a little too much when he puts hospitals on a global budget and expects them to shape up on their own. We need to get a handle on costs within the hospital system; we have to set up mechanisms for comparing the unit cost of each service in different institutions. By closing beds we are driving up the unit cost of operating a hospital. If we were using fundamental business principles in the way that we run our hospitals this would no longer be a viable option; it would be possible to turn around the constant push towards more and more inefficiency that is now plaguing the hospital system. What we need above everything else is the means and the will to audit the management and performance of our health institutions."

Another professional has suggested a range — and this is a professional medical person on the staff of a major hospital — has suggested a range of positions and services that could be abolished without affecting patient care, to cope with the legitimate demands of responsible, fiscal hospital management that range over 20 topics, Mr. Chairman, including Assistant Directors of almost every component in the hospital; including Central Dispatch and the employment of dispatchers to carry materials back and forth to the lab and to the pharmacy which could easily be done by nurses, including all the co-ordinators of finance whom he feels proliferate in hospital administrations; including various unit managers that he suggests are inefficient and unnecessary; including the public relation staffs; including different clerks and supervisors and analysts who he suggests are redundant, and demonstrably redundant. And this is a highly-qualified, highly responsible professional doctor

on a major hospital staff. And there are others, Mr. Chairman. I cite those simply because the Member for St. Boniface has raised the question about frills. I'm not a professional medical person; I have to seek my advice; the advice that I get from professional medical persons is that there are a great many services, ancillary services, that could be classified as frills, that could be categorized as frills when a hospital or a health facility is looking for efficient, economic rationalization and operation.

That is the process that we're engaged upon. We're not closing any doors, but that's the process we're engaged upon, and I sincerely believe that in their hearts the honourable members opposite would agree that a process and an exercise of this kind in the health field is overdue, that attempts that have been made to do it in the past have perhaps not been met with the kind of responsiveness or co-operation that they would have desired, and that there is no harm whatsoever in making the attempt as intensively as possible once again, and that if they were government today they would be doing precisely the same thing. Not, perhaps, in precisely the same way but precisely the same thing. All we're asking is their co-operation and the co-operation of other Manitobans to try to contract this unnecessary escalation and expansion so that we can be guaranteed that the essential thing, the services for Manitobans who need them, the care and the programs for Manitobans who need them, in all our health facilities, can be maintained, and that we're not getting ourselves further and further down the road to a point where we don't have the financial wherewithal to maintain a system that has grown out of all reason, simply through the inefficiencies that develop naturally in a huge operation such as a huge hospital operation and a huge health care delivery operation inside a huge budget and budgetary operation. That's all we're attempting to do while listening to reason from all sides on the question.

MR. DESJARDINS: Well, Mr. Chairman, there is no doubt, and I mentioned that before, the harder you try, the tougher you are, the more you're going to save money, and there is no doubt that this approach will probably save something that another approach, which wasn't as strict, might not do. But then, what are you accomplishing, if you get rid of the baby with the bathwater, and that is the concern.

Now, my honourable friend has talked about frills, and he's talked about the medical profession, who, of course, will look down on other professions, which is the natural thing to do. Some of the things they say are perfectly legit, and others, probably they're not as familiar with the work — this is what the nurses are telling us — this is what other people are . . . Now, I've got a great idea after listening to the Minister. Take what this expert, this medical man told you, do exactly what he says; then take an administrator, who will tell you that he probably has too many doctors and so on, who will look at the other side — and mind you, he wants his assistant, and so on — and do what he's going to tell you; then take the nursing profession and take the physiotherapists, and you're going to save a hell of a lot of money.

Now, Mr. Chairman, it's not the restraint; it's not this exercise of a new government saying, "We're going to see if there's anything wrong and we're going to save money." We'll applaud that. You will find some areas that we didn't find, but we have been going around with this exercise for a long time. But what we can accept is that it was predetermined; you still didn't give us a rationale for that 2.2 percent, except you said, well, this is the money that we thought we could put on that; we divided by so many, and that's the rationale. And you are still playing games when you are saying . . . 2.9 and nothing else. When we've got that, if you are asked, is that what you mean? That you are not going to relent on that. Well, you say, "Well, we didn't look at the last thing." This is not what you were saying before.

Now, this is what we want to know. What we would have done — first of all, we didn't think it was that much of a mess. You know we didn't think . . . we had to melt soap to make new bars of soap, to decrease, reduce the taxes of people in a certain bracket. We didn't think it was that important. Not more than the Great-West Life pick up their soap, and melt soap in the offices of their executive to put it back in the next day; not more than they cut the grass only every second week; not more than they get rid of all kinds of people and cut down on their travelling — not more than that. It is public money, but it is still money from the people no matter what you have. They have to make their profit; they have to cover their expenses, and it is easy in a case like this, because you make your profit, a certain amount of profit, and if the expenses go up you pay for it. And I don't think there has been that kind of abuse in the hospital.

There is always something and you will be able to point at it and I will be the first one to say, fine, at least we've got that. But my concern is not that you want to save money and that is something that you said you would do, fine. You might be a little more concerned than we are and we should be concerned, but that might be a positive. But I think we are more concerned about the standards and that is what we are worried about.

Now, the Commission and the same people that now were advising me also and they were telling me that they were doing everything, and I know they were sending budgets back and they were

sending budgets back. All right, if you come in and say there is no way we are going to give you 2.9, you'll have to live with that and there is no pressure that is going to change anything. Well then they are scared. They are scared, and you were most unfair in one of the things that you stated. You stated today, and I am talking to the Minister, Mr. Chairman. The Minister stated today that he felt that we were criticizing the doctors or gave that impression that they deserve every cent that they have, and they are higher paid. There was no discussion on that, but he took the Leader of the Opposition to task, because the Leader of the Opposition dared ask in this House if this was what was going on to save money, that they should ask the people at Victoria Hospital for instance to ask people to cut down on their wages, take a reduction in wages, and that is the comparison that we made. We were chastised because we said that and the Minister said, well, you know, this is a speech, that you get everybody excited and they won't go along with it. Well, I hope the hell they won't. I hope the hell they won't. Defend the medical profession, I am not attacking the medical profession, and I want to get them their fair pay but not at the expense of some guy that is pushing a broom in a bloody hospital, and is getting \$3,000 or \$4,000 or \$7,000 a year, not at the expense of these people. That is the difference.

Then some of the things that the nurses profession have told us. Those are the things that we are concerned about also. They are not getting their increment. I don't see anybody at the Great-West Life or anybody else that is not getting what is due to him, and I don't think that the doctors should be deprived of that at all. That is not what I'm saying, I'm not saying bring people down, but I am not saying bring them up at the expense of the guys at the bottom of the ladder. That is the part that I don't like, that I can't stomach, Mr. Chairman. Now those are the things that can't keep on going along.

I have as much confidence in the nurses as a profession to do what they are trained to do than I have in the sincerity and the honesty of the medical profession. And when they say that the things are going down, they are going to have a shortage, and when they say that they can't keep on with the extra load because you are not replacing those that leaving — you know, how many nurses do you have on these wards? It seems to me that is something else we should know, and what is the ratio of LPNs and assistants and the RNs. That is one thing, if you cut down, you know, who decides how many there should be on a ward. If you listen to the medical profession they say how many doctors and you take that without any hesitation at all. But they on the same thing will say, well maybe we need less nurses. You just finished saying that the nurse should be the messenger to bring stuff to the hat was a very well-know lab. Tprofessional that said that. You ask the nurses if they were trained to be messengers, and if that is not costing money to have people that are getting paid, that are asking a certain amount of money, to be messengers to go the lab.

Now this is the concern. Our fight is not what you are trying to do, but our responsibility is to make sure and harp on this and if there is anything that we hear we are going to tell you, because we don't want the standard to go down. If the nursing profession are told there is no overtime, would you dare say to a medical doctor there so much, there is no overtime, or don't see him more than once a month, or once every six months. And if the nurse is doing some extra work, they are told drop everything because you are not going to be paid overtime. You are supposed to quit if you are finishing at 5:00 o'clock, drop whatever you are doing and go. This is the concern that we have, Mr. Chairman. Not what the Minister is trying to do, but as my colleague is saying, the way it is being done. The exercise to tighten up as much as possible, scrutinize, give us some guidelines, and that is what the profession and that is what the people want.

What are your guidelines? You are going to say, okay, the standards will not suffer or maybe we are going to give you a little less, so therefore from now on we are going to reduce the nurses and so on. That is what they want to know, but right now they are in a state of panic because they don't know what the heck is going on. They don't know if they are going to be replaced; they don't know if they are going to have a job; they don't know if their wards will be closed; they don't know if they will have to do the work of somebody else that you want to save at their expense. This is what we are concerned of. We are concerned that you are saving what and for who, and at what expense. Is that really saving? Are you saving money if you are stealing from somebody? If you are saying to them 'well' from now on, you have worked hard and this is the rate that you are getting. You are not going to get your increment. You are not going to get overtime and that is all you are getting. They are caught between their responsibility as interested people knowing that that patient needs them, and their own personal feelings about what they should get and what is right for them. Mr. Chairman, this is the concern that we have. It might not be that different but not something that is predetermined. As soon as a group of people come in with a certain ideology and they are so determined to save money because they made commitments before, they made commitments during a campaign that the first thing they would do is lower taxes. Now it goes on and it is supposed to be a mandate and we are supposed to think that the people were extra taxed and then the Minister is defending them — against who? I don't know if he has a guilty

conscience, nobody was criticizing him. He is defending his increase for the medical association, but he is saying to my Leader, you know, you have the gall to stand up and bring this in the open that they want to reduce the wages of the people at the bottom of the ladder working in the hospital. By doing that you are doing a disservice to the people of Manitoba, because now the union are threatening and they will push their members not to accept that.

Well, Mr. Chairman, you are right. We would try to save money, but not certainly the way this government is doing it.

MR. CHAIRMAN: Clause 8—pass — the Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, I have been waiting for a long time to ask a question of the Minister of Health regarding the staffing at the Brandon General Hospital. There have been a number of conflicting statements and while I appreciate the Minister having told us a number of times that he doesn't directly administer any hospital in this province and cannot be responsible directly for the decisions they make, nevertheless, does he have information on this hospital and indeed on all major hospital in the province respecting staff reduction as they may have been caused because of a less than adequate percentage increase across the board in the funding of such hospitals.

So what I am asking the Minister is if he could indicate to us if he has any data or statistics or knowledge of reductions, actual reduction in nursing staff, in the major hospitals at least in this province?

MR. SHERMAN: Yes, Mr. Chairman, the Honourable Member for St. Boniface asked me about this earlier in the evening and I have passed him over a copy of the actual totals, equivalent full-times, in eight major hospitals, including the Brandon General Hospital, with comparisons December 1976, December 1977, and March 1978. These are the equivalent full-times and it does not include the vacancy total, and the Member for St. Boniface asked me about that, which we are attempting to get. But the difference in the establishment, in the complement, has changed insignificantly from December 1976, a total of 10,289.8 to March 1978, a total of 10,358.6. But the Brandon Mental Health Centre is in a different category and I believe I have answered the honourable member's questions with respect to it.

MR. EVANS: Perhaps the Minister didn't hear me, I was talking about the Brandon General Hospital.

MR. SHERMAN: The Brandon General Hospital, the total for December 1976 was 825.7; December 1977, 803.0; March 1978, 797.7. That is the latest figure that I would have, Mr. Chairman.

MR. EVANS: Well, as the Minister indicates it doesn't seem to be much of a change, although there were a number of reports in newspapers quoting the Administrator of the Brandon General Hospital, indicating I think up to 60 positions that would be either eliminated or not filled as part of the cutback exercise, and that is quite a significant number, and it does not seem to be reflected in these figures. However, maybe these are numbers that will become evident as the year progresses and as the hospital finds that it must make cutbacks in staff because of the limitations in the Budget.

I believe there was a target of somewhere nearing 60 positions to be eliminated in this year. Now I am going by newspaper stories. I also talked to the Administrator and I think I got a confirmation of that, although this was a couple of months and maybe my memory fails me.

I know my colleague, the Member for St. Boniface, and my colleague, the Member for Seven Oaks, have been trying to make it clear to all and sundry and the Minister and his staff as to what was happening because of the situation the hospitals seem to find themselves in. I wanted to take this opportunity to not explain what my impression is, although it has been confirmed by my colleagues, but I would like to read a letter from a constituent, who complains about what is happening, she believes, in the Brandon General Hospital, and I think it may be symptomatic of the situation that the hospitals find themselves in today. This is a letter dated April 26th, I have only got one copy, but I could get it xeroxed and give it to the Minister if he likes. It is addressed to myself re hospital care.

"Dear Sir: I am writing in connection with a recent stay I had in the Brandon General Hospital during the month of February. I spent some three weeks on 200 East." I guess that is the wing of the hospital.

"During my stay problems arose which I feel the government should be aware of. The hospital is understaffed and the nurses are overworked. During my stay it was not at all uncommon to ring for a nurse and have to wait ten minutes before anyone would come. Usually the problem was not that major, but on occasion there would be two or three people needing a nurse all at the same

time and only one nurse on the floor.

"A case in particular was one incident where an older woman in my room decided to get out of bed. She was under sedation and could not even remember where she was. She could not have stood up by herself, and although she didn't realize it, she was hooked up to intravenous and other various tubes. She was a large woman and while another patient in my room tried to keep her in bed, I tried to find a nurse.

"I discovered another patient, who was very upset and sobbing, I do not know what their problem was. And the only nurse around, an LPN, was with a patient who was violently sick to her stomach. Fortunately the RN came back on the floor (she had been taking a break and believe me they need those breaks) and eventually everything more or less settled down.

"There were many such incidences when a nurse simply could not be found and as long as the problem is a minor one, no one really minds. But what if someone had a cardiac arrest under those circumstances or what if no one had been able to help the older woman and she had fallen and possibly broken a bone. On the particular ward I was on, most of the women are only in for 3 days to 10 days, but being in as long as I was, I saw such things happen many times and it scared me half to death to think of what could happen. And just to make matters worse, our new government is now thinking of closing many small hospitals. I realize that many of these smaller hospitals do not have a high rate of patients, but just start adding those patients to the ones already receiving poor care by overworked nurses, and all I can say is, pray you don't get sick. Yours truly, Wendy Burnett, 12 Cottonwood Crescent, Brandon, Manitoba."

I read that letter, Mr. Chairman, because I think it clearly indicates a problem at that particular hospital, where if this is any example of what's happening, a person who has been there for three weeks and who observed the situation, I think it's quite serious. I have heard of other stories from other people in other parts of the province, and generally speaking it does seem that the hospitals of this province are under serious pressure of lack of sufficient nursing staff. And while we all are desirous of economy and efficiency and all the rest, at the same time I think everyone would agree, I am sure the Minister would agree that it's necessary to maintain necessary medical services, and while I know he is desirous of that, it would seem to me that this letter indicates that the situation is rather poor in the Brandon General Hospital.

I am sure there are many similar stories that could be told by other people in other hospitals, and it doesn't speak well of what's happening in this province. It speaks of a deterioration of a health service which I think has been the finest in the world, and I think it would be a very sad day to see this deterioration carried to the point where we can no longer could boast of having adequate health care in the hospitals for people.

So I don't necessarily want to take up a lot of time; I wanted to get this letter on the record. I've been waiting for some many days to do this because it's a letter from the heart, from someone who is honestly trying to tell you, as an ordinary citizen of this land of ours, of what was going on in that hospital that she thought was inadequate and could be in fact dangerous to some of the patients because of the lack of adequate nursing staff.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, I appreciate the honourable member's contribution. I want to assure him that if he so desires, we will contact that particular person and I will certainly, through my staff, contact the Brandon General Hospital on that subject. I just would like to say in respect to that, that the Brandon General Hospital took action earlier last year on restricting staffing through not replacing vacancies, through leaving vacancies vacant, and in that respect they're probably somewhat ahead of other hospitals in that exercise. That explains the bigger reduction in staff in Brandon than the overall picture would represent or reflect.

I have personally visited the Brandon General Hospital, met with members of the board and the administrator and medical staff there, the director of the medical staff, the director of the intensive care unit, which must be the finest intensive care unit for a hospital of its size anywhere in Canada. I can only say to my honourable friend that such expressions of concern were not voiced to me by those personnel in very frank and candid conversations and meetings.

I would also like to say for the record, that Statistics Canada in its hospital indicator program has reported that in terms of Western Canadian hospitals, Manitoba has 10.5 percent more nursing hours per day than the Western Canada average; 10.5 percent more diagnostic hours per day than the Western Canada average; and 7 percent more administrative and support staff than the Western Canada average. now no one is saying that Manitoba should be reduced to the average, but let us face facts. There are provinces to the west of us that are richer in many ways, not in quality of life, but richer in many ways than our provinces, and yet we're substantially ahead of all of them in those areas of health care —(Interjection)— certainly, and we're proud of it, but I think the Brandon General Hospital here has undertaken an initiative on its own and in fact wound up

with a surplus I am told in the 1977 calendar operating year.

So I would just like to respond to the honourable member by saying that I will look into that expression of concern. but that's the record as it stands.

MR. CHAIRMAN: Clause 8.—pass; Resolution 64 — Resolved that there be granted to Her Majesty a sum not exceeding \$444,692,000. . .

MR. DESJARDINS: Mr. Chairman, overhead, that we said we'd go line by line and the first one I think that we wanted to say in general on the Personal Care Home Hospital and Medicare, has been said certainly as far as I am concerned, but I think that what we're passing now, as agreed, is the first line of Administration, because they are certain . . . well, fine, we haven't even had a word about Pharmacare or anything like that. We had agreed that we would go exactly what was done last year and the year before, that we would go line by line, that you would call Administration, mind you, we varied that we covered the waterfront — I admit that — and I don't think this will be repeated. I think it's going to go fast now, but there are certain questions now that we would like to have on the particular lines, so if you want to follow my suggestion and call Administration, we'll pass that, and that's finished, then we'd go to the second line.

MR. CHAIRMAN: That was the agreement. I just had given a lot of latitude in the debate and I thought that we had covered most of the things. We'll go line by line.

Administration—pass; Personal Care Home Program—pass — The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, What I'd like now is the total and we can do that for the extended treatment of Hospital and Personal Care Homes. I'd like to know the beds that we had in 1977; the beds that we have as of now; the new beds that came onstream without all the detail. The Minister can tell us the name of the Personal Care Home that was opened during this year and any beds that were closed to give us the true picture; and also those that are in construction, the list of the Personal Care Homes that are in construction that should be opened in this fiscal year, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister

MR. SHERMAN: Mr. Chairman, the Personal Care Homes as at December 31st, 1976, which would be for the 1978-79 Estimates: beds as of December 31st, 1976, totalled 7,260 —(Interjection)— Pardon? Personal Care beds, well, let me give you Personal Care beds.

Changes during 1977: New construction, new beds added in 1977 — Arborg 40; Boissevain 20; Deloraine 16; Melita 20; Teulon 20; for a total of 116. Gimli was closed, that took 40 beds out, so the beds as at December 31st, 1977, were 7,336.

Now, from the period January 1st, 1978 to March 31st, 1978: New construction this is new beds added — Meadowood 90; Tache, the new wing my honourable friend is well familiarized with, 120; and the Lions Manor, that's in Portage, 50; for a total of 260. So those 260 go as an "add in" but we haven't come to the final total yet but that's an add in.

Now the closure of facilities. We closed 6 time-expired proprietary nursing homes in the central part of Winnipeg early in 1978 including able care, which was 24 beds; Arcadia which was 16; Baron, which was 36; Cole which was 16; Regina Haven which was 30; and Stradbroke Nursing Home which was 17; for a total of 139 coming out. In 3 other nursing homes, 2 in Winnipeg and 1 in Portage la Prairie, we closed some beds, in other words, scaled down the number of beds to comply with The Public Health Act. One of them in Winnipeg was the Curran, we took 12 beds out; one of them was the Thorvaldson Nursing Home, we took 13 beds out; one of them was the Holiday Retreat in Portage la Prairie, we took 25 beds out; that's a total of 50 beds coming out.

Now there were some similar reductions in 3 other nursing homes because of a revised rating and they included the following: the CNIB, Institute for the Blind, we took 28 beds out; the Middlechurch Nursing Home, 1 bed came out; and the Nightingale Nursing Home in Winnipeg, we took 5 beds out; for a total of 34 coming out. That gave us a total number of beds as of March 31st, 1978, of 7,373.

Now, changes are projected for 1978-79, this is new construction coming onstream: Holy Family 34 beds; Emerson 20 beds; Birtle 20 beds; Dauphin 65 beds; and McCreary just opened, 20 beds; for a total of 159 beds to be added in.

Now, the final category is the conversion of extended care beds, extended treatment facilities, extended care beds to personal care beds in the following locations: Dauphin, there will be 26; Morden, there will be 27; Steinbach, there will be 25; Swan River, there will be 17; Portage la Prairie, there will be 27; for a total of 122, 122 beds that will now be designated as personal care beds,

so that is another add in.

So the total number of personal care beds that will be in existence as at March 31st, 1979, that is at the end of this fiscal year, March 31st, 1979, will be 7,654. —(Interjection)— No, 7,654. And for the interest of the Honourable Member for St. Boniface, of those that were closed in the City of Winnipeg, those patients were transferred, in the main, to Meadowood and Tache. in the main. There were a couple of individuals that went elsewhere.

MR. DESJARDINS: I would like to thank the Minister for this information. Now, not in detail, but could the Minister tell us are there any other facilities that are being constructed now that hasn't been covered. that is they won't open this year, they might open in the following year.

MR. SHERMAN: No, there would be none that would be opening in this current year, Mr. Chairman. Any that came on would not be coming onstream, they would just be coming on construction.

MR. CHAIRMAN: (2) Personal Care Home Program—pass — the Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, the Minister made a statement some time in November that there was a freeze on this five-year program and that a decision would be taken in 90 days and it is now 90 days, plus 90 days, plus 30 days. Has a decision been made or is that still under review at this time and when could he expect a decision on this?

MR. SHERMAN: No lifting of that construction freeze has been accomplished yet, Mr. Chairman, and I can't give the honourable member a date on it, but as the government and the province moves through various quarters of the year and we get a firmer picture of our financial situation and what we hope will be our improving capability to enter into new downstream expenditures. It is certainly my intention to discuss with my Cabinet colleagues the decision to go ahead with a number of projects on the drawing board, many of them including personal care facilities may well be done on a one-at-a-time basis. That is something that will be determined by the Executive Council during the course of this summer, Mr. Chairman.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Radisson.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I move, seconded by the Member for Rhineland, that the House do now adjourn.

MOTION presented and carried and the House adjourned and stands adjourned until 2:30 tomorrow afternoon (Wednesday).