

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 6 March, 1980

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . .
Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to take this opportunity to table the Annual Report of the Manitoba Mineral Resources Limited.

Mr. Speaker, I would also like to take the opportunity to make a statement - I'll pass out copies. Mr. Speaker, I take this opportunity to report the latest results of competitive bidding for the rights to explore and develop Crown-owned oil and gas rights which have been offered by the Department of Energy and Mines.

The latest sale, which was yesterday, represents a Manitoba record. We are encouraged by the renewed interest of the oil and gas industry in the province since the regulatory amendments were passed in December of 1978, which removed rules that were impeding the development. The latest disposition yesterday added a total of \$1,208,431.70 to the provincial revenue when bids on 44 of 56 parcels of oil and natural gas rights offered were accepted. Mr. Speaker, it's estimated that Manitoba's oil production for 1979, from about 700 producing wells, will be approximately 3.65 million barrels valued at \$48.3 million. The province will collect about \$11 million in revenue through Crown royalties and mineral taxes, and this represents approximately 20 percent of Manitoba's oil requirements.

Mr. Speaker, we hope to see that increased and the exploration activity taking place is very promising after the dry years of the early '70s. From the sale a total of \$35,415 was received in statutory fees and rent, and the tender bonus amounted to \$1,173,016.70. Mr. Speaker, by way of interest, the total disposition of these leases, which range up to five years, now amounts to about 20 percent of the Crown lands owned in the southwest corner of the province of Manitoba.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, I thank the Honourable Minister of Finance for his statement. Mr. Speaker, from our vantage point this is not a progressive statement this afternoon. This, in fact, is a statement which acknowledges the fact that this government has seen fit to remove the right of the people of the Province of Manitoba to share, to share in the benefit of oil production development. The First Minister, of course, doesn't understand that. The Minister is prepared to sell out the mineral and oil resources of this province to a few, rather than to ensure that Manitobans as a whole share in the benefits of the oil and mineral rights of this province.

And let me make it quite clear, Mr. Speaker, that the original programs which involve joint venture, joint ownership, joint participation in development of the resources of this province are really the fundamental methods and approaches to ensure that Manitobans, as a whole, benefit; not a few, mainly located outside the Province of Manitoba.

So, Mr. Speaker, I cannot rise to my seat despite the fact that the Minister of Finance may have expected some congratulations, to congratulate him, because unfortunately it is a move backwards, a step backwards, rather than a march forward into the future. A march forward into the future, Mr. Speaker, when other jurisdictions are ensuring that the benefits of our resources are enjoyed to the benefit of all.

Mr. Speaker, by way of other comment, I would simply point out, in addition, that the increase insofar as oil production is concerned in Manitoba, for the benefit of the information of the Minister of Finance, has not increased in any significant way since 1977 despite the utterances that have been made from time to time by Ministers across the way that there was going to be some new-found boom in oil development as a result of the assumption of power by their government. There has been no significant improvement on the part of oil production

Thursday, 6 March, 1980

or mineral development in the Province of Manitoba. Instead, what we are doing is giving away our opportunity to enjoy a future heritage in the Province of Manitoba.

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

HON. ROBERT (BOB) BANMAN (La Verendrye): Thank you, Mr. Speaker. I would like to table the Annual Report 1978-1979 of the Manitoba Lotteries Commission, and I would also like to make a statement. I have copies for the members opposite.

Mr. Speaker, I would like to announce today, and it was announced in the Speech from the Throne, that a program called Sports Facilities '80, utilizing some lotteries revenues, will be implemented to aid communities in renovating and upgrading their sports facilities. Towns, villages, rural municipalities, local government districts, Indian reserves, northern community councils and committees, and cities other than the City of Winnipeg, will be eligible for this participation.

Mr. Speaker, the grants will be allocated on a population basis to the communities. Communities under a 1,000 will receive a grant of \$10,000; communities - between 1,000 and 5,000 - will be receiving a grant of \$15,000 and communities over 5,000 will receive \$25,000.

The grants will be based on a cost-sharing formula with the community on a 50/50 basis.

Applications and brochures describing the program will be distributed in early March and the applications must be submitted by September 1, 1980. The communities may file claims for the approved projects until that particular date.

A series of regional workshops will be held throughout the province to acquaint the different municipal and urban municipalities with regard to this particular program.

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

MR. LAURENT L. DESJARDINS: Mr. Speaker, I am very pleased to see that the Minister and government are ready to lift the freeze from these programs. Mind you it has been changed somewhat from the programs that they froze earlier and I wonder if, at least during these Estimates, the Minister can inform us, will this program only help with the maintenance and improvement of these establishments or will they unfreeze again the program of helping for capital costs of different sports and cultural facilities throughout the province where it is needed, Mr. Speaker?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, before the Orders of the Day I would like to table the Annual Report for the current fiscal year of the Manitoba Health Services Commission and the Annual Report for the current fiscal year of the Department of Health and Community Services and Corrections, as it was for the majority of the fiscal year, one department, Sir.

MR. SPEAKER: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I would like to table the Annual Financial Report of the University of Manitoba for the year ending March 31, 1979.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I would like to table the Annual Report of the Department of Agriculture for the year ended March 31, 1979.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. (Osborne): Mr. Speaker, I would like to table the report of the Board of Internal Economy Commissioners for the fiscal year period ending the 31st day of March, 1979; and also table the ninth Annual Report for 1980 of the Manitoba Law Reform Commission.

Mr. Speaker, unfortunately the report has not yet been printed. The printing will be completed within a matter of a few weeks and I will then distribute copies to members.

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

Thursday, 6 March, 1980

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed with oral questions I should like to draw the honourable members' attention to the gallery on my left where we have 40 visitors from the Town of Steinbach, the New Horizons Club of that town. This is in the constituency of the Honourable Minister of Fitness and Amateur Sport.

We also have 20 students of Grade 11 standing from Rosenort Collegiate under the direction of Mr. Bjarnason. This school is in the constituency of the Honourable Minister of Consumer Affairs.

We also have 30 student from Robert Smith School under the direction of Mr. Cartlidge, and this school is in the constituency of the Honourable Leader of the Opposition.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the First Minister. In view of the response which we received from the Minister responsible for Housing, that his ministry is, in fact, not in the process of studying proposals respecting the British Columbia Housing Program re interest. Can the First Minister advise whether any one of the Members of the Treasury Bench, any one of his colleagues, is presently in the process of preparing estimates, supplementary estimates or legislation to bring forth to this Chamber during this session in order to undertake action pertaining to the pressure of interest rates upon the homeowners in the province of Manitoba.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, my honourable friend, of course, will be the first to know, as will the House, as and when the Government of Manitoba has anything to announce in that connection.

MR. PAWLEY: Mr. Speaker, a question to the Minister of Economic Development. Can the Minister confirm whether or not an analysis indeed has been completed within his department pertaining to the impact of high interest rates upon the small business community within the province of Manitoba?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, we're studying that continually. We are in contact with small business continually. We have people within the department who are always working among the small business community, both in the city and rurally, and we are well aware of the high interest rates, problems that are caused among the small business people.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I would like to direct a question to the Honourable Attorney-General. I would like to ask the Attorney-General whether it is the intention of the province that provincial laws be able to permit municipalities to legislate activities or citizen activities, which are neither criminal nor against any provincial statute, whether it is the intention of the province that municipalities have such right to legislate.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, obviously the Member for Inkster has a specific incident in mind and perhaps he could indicate what that is.

MR. GREEN: I would like to know whether the Attorney-General believes that provincial laws give the City of Winnipeg to legislate an activity which is neither criminal, nor against any other provincial law, because municipal councillors might not feel that it is moral.

Thursday, 6 March, 1980

MR. MERCIER: Mr. Speaker, if there is a question as to the validity of any law passed by the City of Winnipeg then that, of course, is a matter that can be determined in the courts and can be struck down by the courts if it is deemed to be not within their jurisdiction.

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

MR. GREEN: Yes, Mr. Speaker, regardless of whether the court may or may not take a particular position, I'm asking whether it is provincial policy that a municipality be able to regulate an activity, or prohibit an activity more specifically, which is not contrary to the criminal code and not contrary to any provincial statute. Does he wish such permission to be given to a municipal council?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, it would be trite to say that the province takes the view that all laws should be obeyed; but the province does not approve by-laws of the City of Winnipeg. If they are questioned as to whether or not the city has jurisdiction to pass them, then that is a matter that can be determined in the courts. But the province does not approve, nor reject, by-laws of the City of Winnipeg and the matter would therefore have to be determined in the courts.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Yes, thank you, Mr. Speaker. Can the Attorney-General confirm that the Provincial Judges' Court has now dismissed all charges against the individuals involved with McGay College; that the Crown is not contemplating an Appeal; and that the defendant Dragan is now being reinstated in his former civil service position?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, I can confirm the first two questions. The third would be more appropriately addressed to the Minister of Community Services and Corrections.

MR. SCHROEDER: Thank you, Mr. Speaker, again to the Attorney-General. Now that these charges are no longer before the courts, can he advise the House as to the costs involved in this investigation including the Hong Kong trip?

MR. MERCIER: Mr. Speaker, I can not advise as to all of the costs of the trip because apparently they are not all submitted. I can advise that the estimated cost is approximately \$34,000 to \$35,000, which is one-tenth, Mr. Speaker, of the estimated cost to the Member for Rossmere which he had the nerve to submit to this Legislature earlier on.

MR. SCHROEDER: Yes, a supplementary to the Attorney-General. I might indicate that the total costs I had requested previously was the total cost of the investigation and not only the Hong Kong matter. Can the Attorney-General advise the House as to the date of arrival in Hong Kong of the court party as well as the date upon which the Commission first heard evidence in Hong Kong?

MR. MERCIER: Mr. Speaker, I am quite prepared to answer these questions, I have this information available. I am starting my Estimates this afternoon after question period and this is the kind of detailed information I'd be more than pleased to provide to the Member for Rossmere during my Estimates.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I would like to respond to two questions that have been placed over the last week or two.

One, with respect to the number of fishing licences issued in the north since the end of January, it's approximately 59 licences issued.

Another question had to do with the Fishermen's Freight Assistance Program. I am pleased to advise that the cheques have gone in the mail this week and that there is approximately \$200,000 will be divided among 450 fishermen.

Thursday, 6 March, 1980

And I'm also pleased to say that, contrary to the allegations yesterday, the cheques are going out earlier this year than they did last year.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. My question is addressed to the Minister of Labour. In view of the circumstances surrounding the boiler explosion and subsequent prosecution of Dominion Tanners, will the Minister verify that the plant was being operated by a person with no power engineering certificate at that time?

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I'll have to take that question as notice.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: Thank you, Mr. Speaker. In view of the fact that the Minister has to get his information, would he also indicate whether he has granted any exemptions to Dominion Tanner or whether their plant is now operating with fully qualified power engineers?

MR. MacMASTER: The same answer would have to apply, Mr. Speaker. I'll take that as notice and get the answers back to the member.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: I would like to direct a question to the Minister of Education. In view of what I think can only be described as a crisis in the Winnipeg School Divisions, because of impending increased taxes, a potential reduction of 110 to 150 teachers and a reduction of such services as student counselling, electrical courses, physical education, French, music, and reading labs, in various schools throughout the division; and I would ask the Minister whether he would consider making an additional grant to the special grant that is given to the City of Winnipeg for their special needs and requirements, would he consider that?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, at such time as my Estimates are before this House, we will be discussing grants that apply beyond the Foundation Program and at that time I think the member will probably be quite pleased to see that some of these grants have been increased.

MR. DOERN: Mr. Speaker, I would ask the Minister if he would reconsider his decision not to attend the public meetings tonight. I would ask him whether he would consider, since he and I were once colleagues together at Stonewall Collegiate, I would ask him if he would care to join me at the Glenelm School in Elmwood tonight so that he could present the provincial position on these matters.

MR. COSENS: Mr. Speaker, there is no useful purpose to be served by the Minister of Education attending meetings in every school division where, due to some internal matter of controversy, the residents of that area wish to get together in a democratic fashion and discuss that matter. It has never been my practice nor would I countenance in the future. I think by some it would be viewed as interference.

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

MR. DOERN: Mr. Speaker, I asked the Minister whether he is attempting to suggest that there is no relation between the level of provincial funding and the need for funds, programs, teachers, etc., in the various divisions. Is he attempting to say that regardless of provincial funding, there is no connection between the quality of education in the divisions and the amount of money that the province provides?

MR. COSENS: Mr. Speaker, I might say to the Member for Elmwood first of all that I will be meeting with my colleagues in Cabinet, caucus with the Winnipeg School Board. I

Thursday, 6 March, 1980

believe March 21st is the date of the meeting, discussing this type of issue. I do not accept that a school board, when it takes certain actions, can attribute this always to the particular level of funding that's provided by the province. They may choose to do so, as an alternative to looking at their own local taxation levy, and I suppose this has been done many times in the past. I suggested to the member before, I repeat, that the level of funding that applies throughout the province this year is no lower than it was last year in relation to increased expenses, nor is it any lower than it was, Mr. Speaker, in 1976.

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

MR. BILLIE URUSKI: Thank you, Mr. Speaker. Last fall the Minister of Agriculture announced that the Government of Manitoba would be providing 400 hopper cars to transport grain as Manitoba's contribution. Could the Minister indicate to the House and to the farmers of Manitoba where that situation now stands?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I am pleased to say that I will be making an announcement on that issue very shortly and it will be very satisfying to the farmers of Manitoba.

MR. URUSKI: Thank you, Mr. Speaker. Could the Minister indicate when that "shortly" is, as it's been some six months now since he indicated that they would have hopper cars? My concern is that the flooding season in Manitoba is fast approaching, and my concern is that the Minister will not be accusing the Wheat Board of not being able to supply hopper cars when the Province of Manitoba has promised that to the farmers.

MR. DOWNEY: Mr. Speaker, I am also very concerned about the situation of grain movement and would say that the introduction of the cars will be very soon; and I can assure him that hopefully it will be before the opening of navigation.

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

MR. URUSKI: Yes, Mr. Speaker. On another matter, could the Minister of Agriculture indicate, since he hasn't been able to definitively give this Legislature his government's position on the Crow rate, whether it's the position of the government to go ahead and discuss and throw out all sorts of alternatives to the farmers with respect to the Crow rate, meaning that the government is opposed to the Crow rate as it now exists?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, our position has been and remains that the benefits of the Crow rate will be and should be retained for the benefit of western farmers.

MR. SPEAKER: The Honourable Minister for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for the Manitoba Telephone System. Last year it was implied that the Manitoba Telephone System was examining the use of satellite communication systems to provide some northern remote communities with telephone service and, in light of the appropriateness of this subject in regard to the satellite display that is being presented at the Legislature currently, can the Minister inform the House as to the status of those examinations and studies of extending this service to northern communities for telephone use?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, all I can indicate to the Honourable Member for Churchill is that it's a matter that is of constant concern, at MTS particularly as well as within central government, and when announcements with respect to expansion of service, addition of multi-cable selection for viewing to our northern community is made, it is possible those announcements will be forthcoming in their usual manner.

Thursday, 6 March, 1980

MR. COWAN: Thank you, Mr. Speaker. Although we, in the north, do look forward to that expansion television services, I was addressing my remarks specifically to telephone service. I wonder if the Minister can indicate, the Minister responsible for Manitoba Telephone, if there is a specific timetable for the introduction of full telephone service into those communities that are now being inadequately serviced by radio-telephone communications in northern Manitoba.

MR. ENNS: Mr. Speaker, I would be happy to take that question as notice.

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

MR. COWAN: Thank you, Mr. Speaker. Now addressing myself to the telephone side of the satellite communications issue, can the Minister indicate, as there are several satellite receiving stations now broadcasting and operating in northern Manitoba, can the Minister indicate what provincial policy is in regard to the stations, and if the province has made any representation, of a positive nature I would hope, to the federal commission that is currently undertaking to study the introduction of satellite rebroadcasting stations throughout Canada?

MR. ENNS: Mr. Speaker, the Honourable Member for Churchill is correct in indicating that there are current and present meetings taking place, hopefully a meeting resulting in a meeting of Ministers originally scheduled for June of this year, to sort out some of the somewhat complex jurisdictional problems, not just in Manitoba but across the country; the provision of additional services via the satellite medium, not just of entertainment varieties such as pay T.V. or additional channels of T.V. but a whole host of additional services made possible by this new technology, the jurisdictional problems relative to them as to whether it's to be regulated by the federal CRTC or those that will come under the provincial regulatory body are the kind of matters that are receiving very active consideration at this time by a group of working officials, hopefully to be in a position to be determined at a Minister's meeting, as I indicated, scheduled for some time later this summer.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I would like to address a question to the Minister of Finance. I would like to ask the Minister of Finance whether or not we can expect the tabling of the White Paper on the Property Tax Credits relatively soon?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, it was indicated in the Throne Speech that we intended to do that during the course of the session.

MR. SPEAKER: The Honourable Member of Lac du Bonnet, with a supplementary.

MR. USKIW: Mr. Speaker, I would like to then ask a further question. Is it a problem of time? The other study to the report - I am talking now about the study on the assessment, property assessment. Is the Minister waiting for the two so that he can make an announcement relating to both, or are they two separate considerations?

MR. CRAIK: No, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Health. Is it true that the Manitoba Health Organization has made a proposal to Kellogg Foundation, which is an internationally known philanthropic organization, which proposal has been accepted and approved by the Foundation's board, and by which demonstration projects will be established in two Manitoba municipalities working toward a comprehensive health services health delivery system?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: That is true, Mr. Speaker.

MRS. WESTBURY: Thank you, Mr. Speaker. Would the Minister confirm that this demonstration or pilot project would be funded entirely through the Foundation grants and cost the taxpayer nothing; and would the Minister indicate how the province intends to ensure that health care in these pilot projects will continue to be available to all?

MR. SHERMAN: Mr. Speaker, I can confirm that the demonstration project would be funded entirely by the Kellogg Foundation. I cannot confirm that the activity that would be undertaken and that would be generated by the demonstration project will not cost the taxpayer a cent. In fact, we have considerable concern that it will possibly cost the taxpayers a considerable number of cents. As a consequence, it's being very thoroughly evaluated by my department, in terms of pilot projects of that form and that type in general. We have about five different types of health care delivery systems in place in Manitoba right now, Mr. Speaker. Unless there is something new that can be explored, we see no merit in reinventing the wheel.

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

MRS. WESTBURY: Mr. Speaker, it's my understanding that a letter of support was requested from the government. Is it true that this was held up because the government thought the proposal was for community health clinics and they didn't know what their position was going to be on community health clinics?

MR. SHERMAN: No, Mr. Speaker, that is most emphatically not true.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Health. I would like to know if the Minister is monitoring the closed inquiry by the College of Physicians and Surgeons into complaints against Dr. Schwartz, a practitioner of holistic medicine, to ensure that there will be fair play and a fair hearing by the College of Physicians and Surgeons against someone who the college so far seems to think is practicing a different type of medicine from them.

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Well, Mr. Speaker, I would have to advise my honourable friend that we are not monitoring that hearing in an overt sense but I have asked for a report of the results of the hearing.

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

MR. PARASIUK: Yes, I would like to ask the Minister if he will in fact present the report that he gets to the members of the Legislature so that we can be ensured that the closed inquiry in fact will lead to some public disclosures, because this is one of the few inquiries that is in fact being closed.

MR. SHERMAN: Mr. Speaker, as the honourable member well knows, the College of Physicians and Surgeons is the statutorily empowered authority regulating and supervising the medical profession and all its parts in the Province of Manitoba. We don't intend to interfere with that process. However, I daresay and I'd be willing to assure my honourable friend that in the discussion of my Estimates that I would be prepared to disclose to him and the Chamber what I know about that situation and discuss it with him.

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

MR. PARASIUK: I would ask the Minister to reconsider his position about monitoring this inquiry in that what seems to be at issue is whether a doctor can practice or pursue the practice of holistic medicine, which stresses nutrition and diet as opposed to drugs. And if for some reason this type of approach is now being looked into by the College of Physicians

Thursday, 6 March, 1980

and Surgeons as being some type of quackery, I would like to ask the Minister if he would reconsider that position to ensure that this hearing is in fact conducted as fairly as possible.

MR. SHERMAN: Mr. Speaker, I can assure my honourable friend that I have concerns about this situation that are, no doubt, very similar to his. I think that the fair requirement in this case is that the subject and the question be given a full opportunity for hearing and examination by the college and that the adherence of that particular doctor be given every opportunity to put their case. I am assured by the College of Physicians and Surgeons that this will be done. I am satisfied that it will be done. If the results should prove that it hasn't been done, I will discuss it with the college.

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

MR. DESJARDINS: Thank you very much, Mr. Speaker. I was going to ask a question of the Minister of Health. I wanted to find out if a dislocated back suffered by an MLA while trying to get up here would be covered by the Commission but. . .

Mr. Speaker, I would like to address my question to the Minister of Fitness and Amateur Sport. We have been informed . . . the Minister informed us that the TCI would soon be partners of the Western Canada Lotteries Manitoba distributors. I wonder if the Minister would table the copy of the contract that they have between the government and I think the distributors and the new partner.

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

MR. BANMAN: Yes, Mr. Speaker, I can see to it that the member receives a copy of that agreement.

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

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Honourable Minister of Education. In view of the fact that construction of new schools is financed by the Public Schools Finance Board, could the Minister confirm that when schools are sold that the proceeds from such sales accrue back to the Public Schools Finance Board?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, I think the member is probably generally right. There may be some exceptions, going back a number of years. I'd like to take the question as notice.

MR. WALDING: Mr. Speaker, I have another question for the same Minister. I would like to ask the Minister if he is currently conducting a study into enrolment estimates for the future enrolment of Manitoba schools.

MR. COSENS: Mr. Speaker, we completed that type of study last year and have what we consider reasonably accurate estimates that would carry us well into the late Eighties.

MR. WALDING: Mr. Speaker, the study that the Minister provided us with last year was clearly out of date, even as to the year that it was tabled. I want to know from the Minister whether he is producing another study which will give more up to date and more accurate information, whether such study will be ready by the beginning of his Estimates and whether he will make it available to the House.

MR. COSENS: We are constantly updating that type of material, Mr. Speaker, but I would take issue with the member's statement that last year's figures were out of date. They are the figures based on the school populations that we presently have and I would say are quite accurate.

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

MR. SAUL CHERNIACK: Mr. Speaker, I would like to address a question to the Honourable the House Leader and Attorney-General. In view of the fact that in two weeks

Thursday, 6 March, 1980

we have not yet seen any bills from the government, may I ask the House Leader whether he will confirm a statement made by a former Manitoba branch president of the Canadian Bar Association that it receives copies of all planned legislation from the provincial government, sometimes even before it's drafted?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, in regular meetings with the executive of the Manitoba Bar Association I have developed a procedure whereby, when bills are tabled in the Legislature, they are immediately forwarded to representatives of the Bar Association and the various subsections of the Bar, in order that they may have an opportunity to review them and make comment.

MR. CHERNIACK: Then I want to make clear with the Honourable Minister that the stating suggesting that "sometimes even before the bills are drafted" is incorrect, and the assurance of the Minister that no bills are sent on in draft or completed form at any date prior to the time when they are tabled in this House.

MR. MERCIER: Mr. Speaker, I think, as the Member for St. Johns is aware, bills in very early draft stages are sometimes submitted to various people for comments and suggestions. But I can assure the Member for St. Johns that there is no premature indication to the Bar Association of bills that are going to be brought before the Legislature. They are forwarded to them when they are tabled in this Legislature.

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

MR. CHERNIACK: Yes, Mr. Speaker, I accept the Honourable Attorney-General's assurance. I would then ask him whether there is any prospect of our starting to receive the bills of the government which are predicted in the Throne Speech, and when that will be.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, that will start to occur very shortly, in two languages.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Resources and it is with respect to the Freshwater Fish Marketing Corporation.

I wonder if the Minister can tell us if he intends to abandon his earlier proposals to try to persuade the Federal Government to change the marketing mechanism of the Freshwater Fish Marketing Corporation.

Is he prepared to accept the recommendation of the fishermen of Manitoba, who have presented petitions to him and resolutions to him and letters to him, requesting that no changes be made in the Freshwater Fish Marketing Corporation at this time, since they're satisfied with the way in which it is operating?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: I believe, Mr. Speaker, that I answered that question last week when I informed the honourable member that I, along with Ministers from other jurisdictions involved in the Freshwater Corporation, had met in Ottawa in December and had discussed possible improvements, possible ways of improving the Freshwater Fish Marketing Corporation.

At that time it was agreed among all those present that we would establish a technical committee to look at various alternatives and that the committee would report to the Ministers. It was hoped that the Ministers would be able to meet in March some time, to consider that report. Due to the intervening federal election, I am not sure as to the timing now of when the Ministers will be meeting again.

I can assure the honourable member though, that in addition to some expressions of support for the corporation, there are also those who are concerned that the corporation may not be serving the fishermen of this province as well as it might be; that there might be some alternative arrangements, there might be some changes made that would serve the fishermen better. Those are the things that we are now investigating.

Thursday, 6 March, 1980

MR. BOSTROM: Mr. Speaker, can the Minister confirm that at that meeting of Federal and Provincial Ministers, which he refers to, Manitoba was the only province and he the only Minister that was proposing major changes to the marketing mechanism of the Freshwater Fish Marketing Corporation. The other Ministers at that meeting were quite satisfied with the way in which the operation was going.

And can he also confirm that subsequent to that meeting the fishermen of Manitoba protested his position and his proposals and have requested him to abandon those proposals and have asked him to not try to achieve changes in the Freshwater Fish Marketing Corporation marketing mechanism?

MR. RANSOM: No, Mr. Speaker, I can confirm neither of those statements. If the honourable member will indicate to whom he refers when he speaks of the fishermen of Manitoba, then it might give us some indication who speaks for the fishermen of Manitoba, and which the honourable member refers to here in the Chamber.

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

MR. BOSTROM: Yes, Mr. Speaker. Can the Minister confirm, more specifically, that he received a resolution and letter from the Fishermen's Advisory Board that is the advisory board to the Freshwater Fish Marketing Corporation, which is made up entirely of fishermen - fishermen from Manitoba as well as fishermen from the other participating jurisdictions within the Freshwater Fish Marketing Corporation.

And in addition to that, Mr. Speaker, he has received petitions signed by fishermen all over the Province of Manitoba that have been presented to him requesting him to abandon any proposals to change the marketing mechanism of the Freshwater Fish Marketing Corporation, that the fishermen are very satisfied with the way in which it is operating and do not want it tampered with.

MR. RANSOM: Well, I'm pleased, Mr. Speaker, that the honourable member has clarified what he meant by a group speaking for the fishermen of Manitoba.

What he is referring to is the Advisory Group to the Freshwater Fish Marketing Corporation. It is not assembled as a group to represent the interests of fishermen as such. It's a group to advise the Marketing Corporation. And yes, they have submitted a resolution or indication to me that they support the corporation.

There also are many people who feel that the Corporation could function better than it has and I'm sure that when we get into the Estimates review and we are able to examine some of the statistics on production and marketing over the years, it will be evident that there are some weaknesses and there are some opportunities for improvement.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. My question would be to the Minister of Labour. I wonder if the Minister could confirm that, as a result of inspection by personnel from his department, it has been necessary to close down the Norway House Arena?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, during the course of time the Department of Labour was asked to inspect the Norway House Arena and the Wabowden Arena. We found some pretty outstanding deficiencies in the putting up of those two particular buildings and in the present structure of those buildings. We struggled along during the course of the winter with some pretty tight restrictions on those arenas, in an effort to allow particularly the children in those communities, to utilize those facilities during the course of the winter because, as most of us know, those buildings are in fact the centre point, the focal point of the activities of the community.

But we did find some pretty outstanding deficiencies in the structures of those arenas and I don't know what it's going to cost, at this particular time, to correct them.

In our review we found that the engineering plans and the architectural plans were followed in no way, shape or form and that the previous government, under the Department of

Thursday, 6 March, 1980

Northern Affairs, had taken over the construction of the arenas in one way, shape or form, and that was really the root of the cause for the deficiencies in the structure of those buildings.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I'd like to address a question to the Minister responsible for the Communities Economic Development Fund. I'm not sure which Minister that is, either Economic Development or Co-op Development or perhaps Municipal Affairs, I'm not sure.

The question is: Is it government policy to reduce the role of the Communities Economic Development Fund as a development agency in northern Manitoba?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): The answer to that question is "no". As a matter of fact, we are expanding the activities in that fund.

MR. EVANS: Mr. Speaker, I don't want to get into a discussion of the Estimates, but I would like to ask the Honourable Minister if he could then explain why the money is being made available to that fund. According to the Estimates, it shows a drop of exactly 50 percent, or one-half cut in the amount of money being made available to the Communities Economic Development Fund.

MR. GOURLAY: Mr. Speaker, I'd be quite happy to deal with those specific questions at the time they come before Estimates.

MR. EVANS: Well, Mr. Speaker, I appreciate the Honourable Minister's answer and this is something we'll deal with in detail. But I just wondered if he could make a general comment as to the inconsistency of what's happening in the Estimates and what apparently is government policy, the inconsistency in this matter.

MR. SPEAKER: Before we proceed with Orders of the Day, on Tuesday afternoon during debate on the main motion of an address in reply to the Throne Speech, the Honourable Member for Dauphin was interrupted in debate by the Honourable Leader of the Opposition on a matter of privilege.

After listening to the argument of the Honourable Leader of the Opposition on the point of privilege and the argument of the Honourable Minister of Government Services on the same point of privilege, I took the matter under advisement until I had an opportunity to peruse the Hansard. I have now had that opportunity. I have also had the opportunity to listen to the tapes of the afternoon's proceedings. As well, I have received a copy of the letter from the Honourable Leader of the Opposition dated July 3rd, 1979, addressed to the Honourable Premier of the province, and I have had the opportunity of looking at the Debates and Proceedings of June 14, 1979.

I am satisfied, after careful perusal of Hansard and listening to the tapes, that the words that have been suggested as being used by the Honourable Member for Dauphin were not in fact used by that member.

May I point out to all honourable members, reading from our Rules, Orders, and Forms of Proceedings of the Legislative Assembly of Manitoba on page 59, regarding a matter of privilege, "But a dispute between two members as to allegations of fact does not fulfill the conditions of parliamentary privilege."

May I also refer members to Citation 317 of Beuchesne, as well as Citation 322 and 324. It would appear to me that an honest dispute as to how an event occurred, or a dispute as to allegations of how it occurred, is not a point of privilege. I consequently have to rule the point of privilege raised by the Honourable Member of the Opposition to be, in fact, not a point of privilege.

On an unrelated matter to the above, yesterday I erred in not bringing to the Honourable Members of this Assembly, not bringing to their attention Citation 369 of Beuchesne's fifth edition relating to points of order being raised during the question period. I would like to quote Citation 369 for the benefit of all members of the Assembly: "A question of privilege or a point of order raised during the oral question period ought to be taken up after the oral

Thursday, 6 March, 1980

question period, unless the Speaker considers it to be an extremely grave matter." I trust all members will make note of this, so that the maximum benefit of the time allocated to the question period can be fully utilized.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Government Services, that Mr. Speaker do now leave the Chair, and the House resolve itself into a committee to consider the supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Radisson in the Chair for Labour and Manpower; and the Honourable Member for Roblin in the Chair for the Department of the Attorney-General.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - ATTORNEY-GENERAL

CHAIRMAN, Mr. Morris McGregor (Virden)

MR. CHAIRMAN: Order please. I would direct honourable members' attention to page 12 of the Main Estimates, Department of Attorney-General. Resolution 15. 1. General Administration, (a) Minister's Salary.

The Honourable Minister.

MR. MERCIER: Thank you, Mr. Chairman. I only have a very brief statement to make. First, what I would like to do is give to the Clerk some summaries of the changes in the budget which could be distributed I think certainly to the opposition critic and the Member for Wellington and any others who are interested in receiving a copy. I think this kind of information, Mr. Chairman, will serve to expedite the proceedings and that I have attempted to summarize the increases that are taking place in the budget.

I would also like to take the opportunity now, Mr. Chairman, to indicate that if any members have any questions that will require any detailed or particular answer that might be occurring at a later date in any one of the items to be discussed further on, if they could indicate to me as early as possible some advanced notice of their question it will enable us to have the information available when the question is asked.

Mr. Chairman, just briefly, the members will note that the Estimates of expenditures for the department for the next fiscal year totals \$39,815,400, an increase of \$4,297,000 over the previous year. This is an increase of 12 percent over 1979-80. The major reasons for the increase are as follows:

- (a) increased cost of Law Enforcement, \$1,617,000.00;
- (b) 49.49 new positions, and there is a summary of that contained in the information that has just been distributed;
- (c) the cost of salary adjustments under the Collective Agreement and Annual Merit Increase, \$900,800.00;
- (d) the increased cost of goods and services, \$126,400.00;
- (e) systems development, \$150,000.00;
- (f) legal aid certificates and special projects, \$331,900.00;
- (g) general increase in operational program costs, \$337,200.00.

Mr. Chairman, last year when we considered the Estimates for this particular department I indicated to the members of the committee that I considered the most important problem facing the administration of justice in this province to be the court backlog which last spring, it had been increasing over a number of years, and last year had increased to about eight months court backlog in criminal cases in Provincial Judges' Court.

I am pleased to announce to you at the present date the backlog has been reduced to 4-1/2 months and with the increase in staff in this year's Budget and the opening of the new Provincial Judges building on Broadway Avenue, which we anticipate will occur at the end of

Thursday, 6 March, 1980

this month, I'm sure the backlog will be further reduced; and what is more important we will be able to maintain an operational system which will not permit the backlog to become out of control again.

Mr. Chairman, as I indicated, the total staffing for the department will increase by 49.49 staff man years and I'll be prepared to explain the detail of staffing for each program as we proceed through all the departmental programs.

That, Mr. Chairman, is all I wish to say in the introduction and perhaps we could proceed now to the specific items.

MR. CHAIRMAN: The Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Chairman, before we do that, just a couple of comments on the Estimates in general and the comments that I wish to make do in fact relate to the item which we'll be entering into debate.

I'm referring, Mr. Chairman, because it's the Minister's administrative staff that is responsible for the preparation of the Estimates and hence I think that the comments that I wish to make will be in order at this time.

You will recall, Mr. Chairman, that commencing with the election campaign in 1979 we heard the call for restraint by this government and the commitment of this government to effect restraint in an attempt - and not only to effect restraint but also to combat inflation.

Well, Mr. Chairman, I think that it's quite apparent that this government, which may have had hopes and dreams and visions of being able to change water into wine and feed the multitudes with three or four loaves and a half dozen fishes and walk on water, but they found that they weren't able to do that. In fact, I think when they tried to walk on water they damned near drowned. So they failed on that.

Now, Mr. Chairman, the call for restraint still continues and there's this myth being propagated that there is some type of restraint in government expenditures. But, Mr. Chairman, I would like you to make a similar comparison to what had been made on the government side during the Throne Speech Debate, instead of looking at one year looking at a period of two or three years. So compare the record of this government during its two years and a few months in existence - let's say three years because now we're entering into a third fiscal year - with the three fiscal years of operation of the New Democratic Party government, ending with the year 1977. And let's see whether there, in fact, is restraint or not.

Mr. Chairman, in 1977, the last Estimates approved by the New Democratic Party government, presented to the House for its approval by the New Democratic Party government, for this department totalled \$27,555,400.00.

Now, Mr. Chairman, I think that the government will admit that they have no control over inflation. So, let's assume, let's adopt the role of thumb figure for an inflation rate of 10 percent per year, which is approximately what it's been over the past number of years, and let's use that figure.

Now, Mr. Chairman, if the government was concerned about restraint, then the very least that it would do is attempt to hold the line on expenditures - would attempt to hold the line. So, therefore, we would expect to see . . . You know, if it's going to be \$27 million to deliver the services of this department in 1977-78, we would see that \$27.5 million, accordingly adjusted at the rate of 10 percent a year to whatever figure that should bring.

Well, Mr. Chairman, if you were to do a quick calculation of that, you will find that that works out to \$35.5 million, escalating the \$27.5 million at the rate of 10 percent a year. Mr. Chairman, here we have a figure of close to \$40 million in front of us, practically a 50 percent increase over the 1977-78 Estimates, practically a 50 percent increase in the two years and a few months that this government has been in office, and that is its concept of restraint.

Now, Mr. Chairman, I think that at some point the Minister ought to explain where the difference of the \$4 million is because it's quite apparent that the increase in this Minister's Estimates is considerably over and above the normal inflation rate which, I repeat again, this government had committed itself to combat but obviously had failed; not only had failed in that regard, but secondly, as I've pointed out, there is no evidence of any restraint. There is, in fact, evidence of a 50 percent increase during the two years of government.

MR. CHAIRMAN: The Member for Inkster.

Thursday, 6 March, 1980

MR. GREEN: Mr. Chairman, I, too, would like to make some opening remarks on the Minister's Estimates and I certainly appreciate what the Member for Burrows has said, vis-a-vis the mythology of the Conservative Party, that it is spending less money than the New Democrats. As a matter of fact, it is spending more in absolute terms, Mr. Chairman, and probably spending the same amount in relative terms, and I think we will have an opportunity of dealing with that subject more extensively through other departments, as well, as was done last year.

I do, Mr. Chairman, however, wish, in these opening remarks, to highlight two areas which I think are of major concern to all of the people of the Province of Manitoba and which I would want the Minister to consider when we come up to the actual lines of the departments that are being dealt with. But I believe that they are of sufficient importance, Mr. Chairman, as to merit some discussion under the opening remarks, because I think that they are areas that the Minister is going to have to direct his attention to.

Now, Mr. Chairman, approximately one month ago - and I'm just guessing as to time - a woman, 32 years of age, mother of four, first offender, was sentenced to spend nine months in prison because, Mr. Chairman, she had diverted welfare funds, which had been sent to her, to recreational endeavours in her community. I believe that she lived in a collective community, an Indian reserve.

I think, Mr. Chairman, that this type of sentence shocked people who had anything to do with the judicial process and shocked the normal sensibilities of many people in the Province of Manitoba. I'm not excusing the offence. That kind of thing can happen. Whatever her motives were, it will be conceded in this argument that it is a criminal offence and cannot go unpunished.

But, Mr. Chairman, the knowledge that has thus far been conveyed, and if the Minister will have some corrections to it they would certainly be welcome, but the knowledge that has thus far been conveyed is that she is 32 years of age, that she has four children, and given that fact - they must be young children, from a normal logical biological reasoning; they must be young children - and she is sentenced to nine months in prison.

At the same time, Mr. Chairman, we find that a man who got one of these DREE grants that the Minister of Industry so proudly announced yesterday - he didn't get it in social welfare; he got it in industrial welfare - went to the Federal Government and got a DREE grant, diverted the DREE grant not to community activities but to building himself a fine home, and was sentenced to pay \$3,500, I believe, to his favourite charity.

That same newspaper, Mr. Chairman, which reported the woman of 32 being sentenced to prison, reported that a person had stolen from the public of Canada, hundreds of thousands of dollars in fraud to the income tax and was sentenced to pay a fine, I think, of \$110,000.00.

Now I'm not suggesting that the Minister is excusing the DREE sentence. As a matter of fact he has told me, and I give notice of that, that he has appealed it. But that's not my problem, Mr. Chairman. Perhaps the DREE sentence is right. I've never said that that man should go to jail. Maybe he is a man who could be completely rehabilitated by the payment of a \$3,500 fine; maybe he will be completely useful to society; maybe he has made a terrible error and corrected it. I'm not sure that that's what should be appealed.

But what is wrong, Mr. Chairman, is the reverse situation, that we would have that woman sentenced under those conditions and when the Minister said that her lawyer did not see reason to appeal the sentence, does society's concern end there? Does the Minister's concern end there? I suggest not, Mr. Chairman.

There were two other sentences within two weeks previous - and I thank the Minister for answering me with respect to them - of two young offenders, both between the ages of 18 and 21, convicted of serious offences, of breaking and entering, each of them first offenders with excellent prospects for rehabilitation, both sentenced to prison. And what disturbs me most, Mr. Chairman, is not that they were sentenced to prison - which is disturbing but is within the realm of possibility when one goes out on an adventure of that kind - but, Mr. Chairman, the Provincial Judges said that they were required to do so by decisions of the Court of Appeal.

Now, Mr. Chairman, that is not correct. It is wrong in law. The Court of Appeal cannot change minimum sentences for offences, and if the Crown is dissatisfied with the minimum sentence as imposed by the Judge, they have a right to appeal.

But I say, Mr. Chairman, that there is an additional responsibility on the Crown. And that responsibility is to, in some way, inject a public policy of sentencing into the Crown Prosecutors when they are appearing before Provincial Judges. And I do not know by what public policy one can imagine that a 32-year-old mother of four, convicted of a first offence of the nature that I described, should be spending time in prison, or should be sentenced to

prison. I would hope that she is already out. I would hope that whatever procedures that are available for relieving people of prison terms, even though they have been sentenced to them, have been exercised. But the fact is that she should never have gone to prison in the first place unless the policy of the department is to ask Crown Prosecutors to ask that prison terms be imposed for such offences.

So, Mr. Chairman, I am going to ask the Minister, during the time that the Estimates come up, to deal with the question of sentencing: Crown policy with regard to sentencing; Crown Attorneys' submissions with regard to sentencing and particularly whether they regard it as the law. Because it is wrong and I was fortunate enough some weeks later to appear before Mr. Justice Deniset of the Court of Queen's Bench, who said that the Court of Appeal cannot say that a minimum sentence for rape is two years, when the minimum according to the Criminal Code is whatever the judge feels is appropriate under the circumstances.

So I would suggest, Mr. Chairman, to the Attorney-General, that the question of what law the provincial judges are going to apply has to be spoken to by Crown prosecutors, in cases of this kind.

The other area, Mr. Chairman, which I wish to highlight in the opening remarks I make on this department is the question as to whether the Attorney-General is going to permit local municipalities in the Province of Manitoba to set standards of morality under the guise of by-laws which they have to regulate industry. Because, Mr. Chairman, as I understand it, standards of morality can be set by the Criminal Code, in declaring what is legal or illegal; they can be set to some extent by provincial statutes, but nowhere do I understand the statutes of the province to permit local municipalities to set such standards.

The City of Winnipeg councillors have blatantly said they are going to use a regulatory authority to deal with a particular type of business, Mr. Chairman. Now that creates a serious problem which the Attorney-General should not merely dismiss as being one in which the by-law will be tested. The question is: Will you permit a by-law to be used in that fashion; if the province has, through error, given that kind of authority to the municipalities, will they reverse it?

Because, Mr. Chairman, I can tell you that neither I, nor in my opinion, do the public of the province of Manitoba as a whole, think that the municipal councillors have any better judgement as to morality than they do. And it may be that some municipal councillor may think that hotels are immoral; or that cocktail lounges are immoral; or that movie houses are immoral; or that dances are immoral; or that anything that meets their fancies are immoral, and they are going to try to regulate behaviour through by-laws which are not there to give municipal councillors the right to legislate morality but are there for them to regulate hours, standards, and other features of that time, but which they blatantly say they are going to use to try to deal with a particular industry that they don't like.

And, Mr. Chairman, if there are breaches of the criminal law taking place at massage parlors, that can be legislated by criminal authorities and investigations, and they have done so. If there are criminal offences taking place in cocktail lounges, that is equally done so. But nowhere should we permit our municipal councillors to take upon themselves the enactment as to moral standards within the community because no jurisdictional authority has been given to them by any level of government to do that. And if it has been by mistake - and I suggest that I know of no such mistake - then the Attorney-General should see to it that it is immediately removed and announced, Mr. Chairman.

I ask the Attorney-General to announce that he will be represented, which he has a right to do, when this by-law is challenged and that if he is satisfied that the purpose of the by-law is to try to set moral standards, by people who may have less morality than the people who they are suggesting they're setting standards for, that he should make himself before the Court, to indicate that that is not intended by the municipal authority to grant by-laws to City of Winnipeg councillors.

MR. CHAIRMAN: Committee, at this stage I would probably like some guidance. As I understand the rules, this item is not debatable at this stage, as we will be returning to this item at the end of Estimates. The question that I would put to the committee, if one rebuttal from each party is equivalent or . . . ? I do need your guidance. I really feel that one from each party probably would be right at this stage and, if so, I would call on the Member for Wolseley as the last speaker and we will go on to 1.(b) then.

MR. WILSON: Well, the Minister asked in his opening remarks for some guideline as to what members might be looking for in the debate, so we can do that.

Thursday, 6 March, 1980

MR. DESJARDINS: On a point of order. If you allow that question then what you've stated will not take place. With a member other than a spokesman for a party to start making a statement or a question, it's open for all the members to do the same thing . . .

MR. WALDING: Mr. Chairman, on the same point of order.

MR. CHAIRMAN: Yes, go ahead.

MR. WALDING: I had assumed that we were on 1.(b) and that the members were speaking to the Planning and Management line that is on there.

MR. CHAIRMAN: No, we're on 1.(a). We'll pass on to 1.(b).

MR. WALDING: Well, Mr. Chairman, still on the same point of order, our rules have not changed since last year, which provide for an opening statement under 1.(a), which is the Minister's Salary, then to move immediately to 1.(b), and I assumed that you had done that and that the members were speaking under Planning and Management. We could continue from there on.

MR. CHAIRMAN: I had allowed one rebuttal as they did in the other committee yesterday, so I thought that was standard procedure.

MR. CORRIN: On a point of order, Mr. Chairman. Is it understood that the Minister's Compensation will be dropping down, in the usual format, to the bottom of the Estimates?

MR. CHAIRMAN: Yes.

MR. CORRIN: As long as that's understood.

MR. CHAIRMAN: 1(b).
The Member for Wolseley.

MR. WILSON: All right, under the Planning and Management, in the Minister's opening remarks he talked about a new building that was opening possibly at the end of the month. Would the Minister be able to give me some indication as to the total cost of that building, and what will be possibly housed in that building? We had spoken, back when I was on City Council, about giving some more priority to the by-law section. I believe it was housed on a Monday night or whatever, a Monday and Tuesday at City Hall, and I wondered what the Minister's plans are for the by-law section dealing with the standard of living and, of course, the quality of life which we need the by-law enforcement in order to upgrade the core area of the city. I wondered if the Minister could reply to those two questions.

MR. MERCIER: Mr. Chairman, I don't have the total cost of acquisition and renovation, but we will obtain those and supply them to the member as the Estimates proceed. What will be located in the building at 373 Broadway Avenue are 10 provincial judge courtrooms. With respect to the concern of the member for by-law court, the courts in the Public Safety Building will continue; I would think the by-law court will continue at the IBM Building.

MR. WILSON: Are you saying the new IBM Building may have a by-law court?

MR. MERCIER: The courts at the Public Safety Building will be continued.

MR. WILSON: Will be continued.

MR. MERCIER: Will be continued. It will probably be more convenient to the City for that by-law court to remain there, I would think, with their administrative staff located across the street from the Public Safety Building.

MR. WILSON: Under Planning and Management, the Minister had indicated that there was a review going on of his department and I was waiting for some announcements as to what had come out of that investigation or reorganization, and I wondered if there's anything forthcoming, or did I not get a copy of it?

Thursday, 6 March, 1980

MR. MERCIER: Mr. Chairman, there was a news release issued in September of last year, which we will provide the member with a copy.

MR. WILSON: My final remarks under what I consider to be Planning for the future, we do have a \$4 million increase, and I would wonder if, considering that we're four-and-a-half months still backlogged, back last May the 8th and 9th, the Member for Wellington and myself had expressed some concern that possibly one night, maybe a Monday night, could be set aside for a night court, not only as a consumer convenience but as the fact that apparently over \$500,000 in unpaid fines and uncollectable fines or cases that hadn't come up yet. This was brought up by the Provincial Auditor during Public Accounts and we expressed concern that this was like a large fruit tree out there. If we could free up the time, we could collect these fines and I wonder if the Minister has any new planning of being able to collect these fines, which I believe at that time totalled approximately \$500,000.00.

MR. MERCIER: Mr. Chairman, with respect to night court, night court is held on four nights per week, mainly with respect to Highway Traffic Act offences, which form the bulk of the demand for night court.

With respect to the increase in expenditures for the department in total, Mr. Chairman, I can go back and advise members that the bulk of the \$4.2 million or almost \$4.3 million increase in expenditures for the department occurs in the law enforcement section, which is outlined on page 27 in the material I handed out. It shows the very dramatic increase that has taken place in the RCMP contract for the last five years, whereby not only is a province being subject to the increased annual cost of the service but the fact that the province is, as every other province who contracts with the RCMP. Our percentage share of the cost as grown by 1 percent per year. So in this coming fiscal year, we have a \$1.6 million increase in that particular area, which would be more than a third of the total increase in the department.

MR. WILSON: Possibly my last area, if maybe the Minister could point out to me where in his Estimates I might ask this question but I'm sort of very concerned about the security of our province, and I wondered where in his Estimates I might speak about the role of the federal government and the role that the federal government has, together with the RCMP, in seemingly operating separate from the province of Manitoba and yet using the Province of Manitoba facilities. Is there any link between this federal body that operates within our provincial boundaries and the Attorney-General's Department and where might I seek information in his Estimates regarding that federal role?

MR. MERCIER: Under Law Enforcement, Item 7, Mr. Chairman, I think.

MR. CORRIN: Thank you, Mr. Chairman. Dealing with this item, the first thing I would like to know is why the expenses of operating this particular item of the Minister's department have risen and I calculate some approximately 60 percent over the past three years of Conservative administration, that is 1980 over 1977. I note that that seems to be a disproportionate increase much beyond the normal inflation factor or appreciation factor, and we would ask the Minister if he could explain why this occurred. And I would note that that seems quite disproportionate in view of the fact that such services as the Manitoba Human Rights Commission has only increased over the same time period some 4.5 percent per year.

MR. MERCIER: You're just talking about 1.(b)?

MR. CORRIN: Yes, Planning and Management, Salaries and Other Expenditures.

MR. MERCIER: Well, Mr. Chairman, the Member for Wellington will notice, as I've shown in the summary I have distributed, that there is provision this year for a major amount of \$100,000 to study improved systems in a number of other jurisdictions. A number of electronic systems have been developed and have had a significant impact upon the quality of service and the more efficient use of manpower in those jurisdictions, and we intend to hire a person to review these systems and recommend systems which would be more appropriate for use in Manitoba. So many of the existing systems that we have now in use in Manitoba are manual systems. One of the systems that is being used in many other jurisdictions at the present time, which was developed in the United States by the non-profit U.S. Institute for Law and Social Research, is in use in many states in the United States and is at the present time being introduced in Alberta and it's called the "promise system", which tracks the

Thursday, 6 March, 1980

progress of a case from the time of charging by the officer through to and including detention of an offender in a correctional institution. And this is being developed and used by many other states and now being introduced in Alberta in an attempt to provide for a more efficient use of resources that exist in the Attorney-General's Department and in court time and in the manpower that is used. So the \$100,000 that is in the Estimates this year, Mr. Chairman, comprises a major amount of the increase.

MR. CORRIN: Yes, Mr. Chairman, through you I would ask whether or not any of the . . . I'll try and get the sequence correct. I forget the first reporting body, the names of the lawyers involved, I think it was Philco and Norton, or Norton Philco, whether or not the inquiries constituted of Norton Philco or Messrs. Hall and Pilkey, or Mr. Knox, whether any of those three inquiries undertaken in the last two-and-a-half years made any mention of the need for this particular study, whether or not any of those studies indicated that there was a demonstrable need for improved systems in this respect.

MR. MERCIER: Yes, Mr. Chairman, Mr. Knox had referred to this and it is a development that is occurring in many different areas of activity and has specifically occurred in many Attorney-General's departments through the United States and as I say has been introduced in Alberta. And we have so many manual systems in existence that because of the tremendous growth that has taken place in the area have caused problems. The issuance of warrants is one example. Other jurisdictions are looking at these kinds of systems with a view to maximizing the use of court time and we all know that court time has not been utilized to its maximum in the past and these kinds of systems are being looked at and introduced in attempts to improve that.

MR. CORRIN: Yes, in this respect, Mr. Chairman, through you, I would ask the Minister if he can advise whether outside consultants have been retained by the government to effectuate the study?

MR. MERCIER: Mr. Chairman, the member's question is with respect to whether a firm of consultants will be hired to do this. . . ?

MR. CORRIN: Whether any outside consultants have been retained to effectuate the study.

MR. MERCIER: No.

MR. CORRIN: In that respect, could we have advice as to which members of the department will be conducting the study?

MR. MERCIER: Mr. Chairman, the Estimates provide for the hiring of an individual to perform this task as is outlined in the Summary of Expenditures I've distributed.

MR. CORRIN: I'm just wondering, Mr. Chairman, through you to the Minister, how it is that an actual staff man year could be supplemented to the Minister's Estimates in the absence of the detailed report. I am wondering whether or not he feels sufficiently confident at this juncture to retain the services of a full-time employee, a new employee, to provide this sort of function when he hasn't at this juncture received a full report relative to the efficacy and the detail of the matter.

MR. MERCIER: Mr. Chairman, our department has been reviewing, with the manpower that is available, has been reviewing to some extent the introduction of such systems in other jurisdictions. We have had the firm I have referred to, this non-profit U. S. Institute for Law and Social Research, who have developed the promise system, here to make presentations to our department. In fact, I saw one of the presentations myself and this system has been introduced, as I said, into Alberta and there are different systems that have been used in all of these other jurisdictions, and one is requiring somebody to study those systems, to recommend a system that would be appropriate to this province.

Thursday, 6 March, 1980

MR. CORRIN: On this point, Mr. Chairman, the Honourable Minister indicated, I think he indicated, that reference was made to this new program in one or perhaps several of the reports I mentioned, the Hall-Pilkey, the Knox or the Norton-Philco report.

I'm wondering whether or not any particular emphasis was made by any of the authors of those reports and whether or not there were any differences of opinion with respect to implementation made by any of those persons.

MR. MERCIER: No, Mr. Chairman.

MR. CHAIRMAN: 1. (b)(1)—pass; (b)(2). The Honourable Member for Burrows.

MR. HANUSCHAK: Yes. Here too there is a very substantial increase both in terms of an increase from last year, which makes this year's item practically, well, over 200 percent from that of last year, from \$65,000 to \$135,000.00.

I would also like to point out to you, Mr. Chairman, that the same appropriation during the last year that we were government, was \$24,100 and during this period - this mythical period of restraint - the increase was from \$24,100 to \$135,800, which is an increase of 600 percent.

Perhaps the Minister could explain that.

MR. MERCIER: Well, Mr. Chairman, 1. (b)(2) contains the \$100,000 we've just been discussing.

MR. CHAIRMAN: The Member for Wolseley.

MR. WILSON: Very quickly, to wrap up this section, to the Minister. Is there any plan under the continuing ongoing study of the laws that are presently on the books to remove the redundant and sort of low priority, or maybe in some cases, unenforceable laws that we have on the books, and is there any planning and management in that section to give a little higher priority to the - as I touched upon before - to the by-laws of the City of Winnipeg? In discussions with the Mayor the other day at lunch it seems unless we are able to enforce the by-law section of the City of Winnipeg we are never going to be able to, no matter how many cleanathons and whatever we have, we're never going to be able to upgrade the core area of the city. And I wondered if there were any plans to . . . You just have to go down to the Public Safety Building to attend the by-law court - I believe one man had a 50-cent fine for having chickens in his basement - and I wondered at some point in time, is there any plan to give me some ideas what your department is doing in the area of by-laws? Is there any move to examine that section?

MR. MERCIER: Well, Mr. Chairman, our department supplies a prosecutor to the City of Winnipeg to prosecute City of Winnipeg by-laws which are drawn up by a very large, not a very large but a fairly extensive and experienced legal department of the city, and eventually approved by City Council.

With respect to laws, perhaps that matter could be discussed under the Law Reform Commission which we are using extensively. It might very well be that with the requirement of the Supreme Court to translate all existing laws into the French language, that as the translators go through all of the existing statutes, they may find some that are not worthwhile translating.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Mr. Chairman, I presume that it was under Planning that this sheaf of documents that the Minister handed out to us today was prepared. I'd like to congratulate the Minister on doing so, it should serve to expedite the work of the committee and saving us having to ask all of the questions that are contained herein.

I'm not sure that I fully understood the explanations that were given to my colleague on this matter of systems in the provision for improved systems. The Minister said a few moments ago, that the \$100,000 under Other Expenditures is included in the \$135,000.00. Would that then indicate that apart from the \$100,000, that the amount for Other Expenditures was reduced from \$65,000 - or is it \$55,000 last year - to something like \$35,000 this year?

Thursday, 6 March, 1980

MR. MERCIER: Mr. Chairman, the \$65,000 last year included \$35,000 for systems studies last year, most of which was not expended.

MR. WALDING: The Minister has told us that he intends to bring someone in on staff to review the systems. Was the \$35,000 budgeted last year also for this same purpose?

MR. MERCIER: For in General Systems Studies. I might take this opportunity, Mr. Chairman, to introduce the new director of administration, Mr. Pat Sinnott, as some of you will know who was formerly the director of the Personal Property Registry System, which was started in early 1978, I think I am correct, which is a computer-operated system.

Mr. Sinnott really takes the place of a former Assistant Deputy Minister, who was in charge of administration but has extensive experience in computer development through a very successful operation in the Personal Property Registry System. And that was part of the reason for the inability to proceed in Systems Study last year, but we're very optimistic with Mr. Sinnott in his present position, and with these funds that we can proceed to develop a very successful system and we've told him we want it to be just as successful as the Personal Property Security System and we're optimistic that will happen.

MR. WALDING: I hadn't finished, Mr. Chairman. I still don't have an understanding of what Systems means in this context.

The Minister in his last remarks mentioned the word "computer" twice. Are we dealing here with computer systems?

MR. MERCIER: Yes.

MR. WALDING: Can the Minister outline to us how he sees this \$100,000 being spent? Is it in computer time or in some other capacity?

MR. MERCIER: In general, Mr. Chairman, the \$100,000 is to allow for research, testing and lease of equipment required to implement any new system. Computer time obviously would be part of it for testing purposes.

MR. WALDING: The Minister mentioned earlier on that he intends to bring in, I forget the word he used, a specialist or consultant to do this work, one staff man year. He also said that it was to be a consultant to advise the present systems and set up new systems. I want to ask the Minister why, if he is engaging the services of a consultant, why is it not on a time basis to do this work as opposed to what appears to be the intent of hiring someone to investigate set-up systems and then presumably run them from here on in?

MR. MERCIER: Mr. Chairman, the intention is to hire a person on staff who will be able to continue on staff to be in charge of the actual systems and to be fully knowledgeable about the systems.

MR. WALDING: The question, I think, posed a different way is, if there is research and design and start-up cost to be incurred, to be done, why is there a necessity for this position on an on-going basis?

MR. MERCIER: Once a system is in place, Mr. Chairman, there would have to be someone there to manage the system.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: Yes, I just wanted to ask the Minister, Mr. Chairman, if he could distinguish as between the responsibilities of Mr. Sinnott and Mr. Guttormsson.

MR. MERCIER: Well, Mr. Chairman, there are obviously some areas where those two positions appear to overlap and Mr. Sinnott has very recently come on staff. I would urge, Mr. Chairman, the Member for Wellington to look at the structures of other Attorney-General's departments and when compared to this Attorney-General's Department he will find that there are tremendously large number of people at the top of Attorney-General's departments in other provinces. We have, through creating Mr. Sinnott's

Thursday, 6 March, 1980

position, eliminated an Assistant Deputy-Minister and created a Director of Administration who has overall administrative responsibilities through the department related to numerous boards and commissions that report to the department.

Mr. Guttormsson's more specific responsibilities are more related to court services, as administrator of court services, and more directly related to the functions of the court; and we are attempting in that particular area to consult to a much greater degree than has occurred in the past with the judges of the various courts in order to ensure ourselves that the needs of the court are considered on a priority basis, and that there is no interference with the courts.

MR. CHAIRMAN: I am interrupting proceedings for Private Members' Hour. I will return to the Chair at 8:00 p.m.

SUPPLY - LABOUR AND MANPOWER

MR. CHAIRMAN, Mr. Abe Kohnats (Radisson).

MR. CHAIRMAN: I would draw the honourable members' attention to page 68 of the Main Estimates, Department of Labour and Manpower. Resolution No. 89, 1.(b) Administration, (1) Salaries.

The Honourable Minister.

MR. MacMASTER: Mr. Chairman, I wonder if I could send across to the other side half a dozen copies of the breakdown of the department, the chart. Do you want to take that across and give it to the Leader of the Opposition?

Mr. Chairman, under the Administration, what I would propose to do with your concurrence is under each section, as we come to it, outline the responsibilities of that particular area, so that the members opposite will have an idea of just what's coming up under that area, for expediency and questions, if you will. The Administration Division is responsible for development, co-ordination and overall management of the department's policies and programs and for the provision of administrative services required for the financial and personal management function of the department.

Specifically, Mr. Chairman, this includes the development review of proposals on policy and regulations, and recommendations from department to administrators and interest parties, and the overall management of programs delivered by the department's divisions and branches.

The provision of financial management services including accounting services for both expenditures and revenues, budget co-ordination, preparation and control, and financial reporting and control. The provisions of general administrative services relating to the use of government vehicles, office machinery and equipment accommodation, etc. The provision of personnel and payroll services, including equipment, job classification review, staff training and personnel, and payroll documentation of records. The provision of support services to the regional offices in Brandon and Thompson, and the provision of communication services relating to the development, production and delivery of media news releases, information bulletins, publications, internal departmental communications. The provisions of funding and administrative support for the Advisory Council on the Status of Women. The Labour-Management Review Committee and its special projects, the administration of the Fire Department's Arbitration Act and certain sections of the Labour Relations Act.

I would propose to give that kind of recital before I get into each division, so that the members opposite have an idea of what we're getting into. Thank you, Mr. Chairman.

MR. CHAIRMAN: 1.--pass. The Honourable Member for Churchill.

MR. COWAN: Yes, Mr. Chairperson, if we could just have the staffing in this particular department, the number of positions.

MR. MacMASTER: That's step number 2 in my procedure, which I should have . . . Being the first group, I guess I'm entitled to err. I intend not only to give that rundown, to give the staff, to give last year's staff and the increase and what we propose to do with the

Thursday, 6 March, 1980

increases, so that that will be a sort of a format that I'll follow. I also propose to give the breakdown where the other . . . No, we're straight on Salaries. When I get to the other, I'll give that breakdown.

On the number of staff and salaries, there's an increase from 42 to 45, and those three new positions, two of them will be related directly to the Advisory Council on the Status of Women and one is, at the moment, to do work on the carcinogenic study of chemicals in the workplace.

If I can explain to the members opposite what's happening here, there is a gentleman returning. He's on an education leave at the moment; he's returning to our staff within two to three months. He has a great deal of background on carcinogens and chemicals, and we wish to specifically earmark him into that position at that time.

I should say to the members opposite, so that we don't have the program or don't have at least administrative mechanism put in place to get that study and to get some of the work that we want to do in that field commenced, we wish to assign a particular person under administration at this time for that particular type of work. So that's the three increases to the members opposite. There was 42, there's now 45.

MR. COWAN: Yes, thank you, Mr. Chairperson. I'm a bit confused and I haven't been able to follow quite as closely as I should have, so I apologize to the committee and the Minister.

As to number of people we're talking about now, is this the number of people that are under the department, the administration divisional employees, which last year according to the figures I had, was somewhere in the area of 24 persons? There seems to be a couple of departments put together here and I just want to sort that out. Perhaps my records are incorrect on this. In other words, if I can just for one moment, what I have from last year is, under this: One Minister, one Deputy Minister, one Executive Assistant, one Assistant Deputy Minister, one investigator, I believe 17 clerical staff, although I may stand corrected on that specific item, and one accountant, which would total, I believe, approximately 24.

MR. MacMASTER: Well, the Member for Churchill and myself both are going have to struggle through a portion of this, because the manpower division of last year - and I don't want to run off into that area till we get to it in the Estimates but I think I have to make reference to it. The Manpower Division last year, as the members opposite are aware, came from a large number of areas and it was put together. The administrative structure of the whole division was not specifically in place and I don't have that precise number of last year, but if the member would like - I do not have an extra copy at the moment - I assure him I'll give him a copy of the 42 positions that I am now talking about, and I've just explained the three new positions. That might be the simplest way of what we have in place and that starts with Deputy, Assistant Deputy, right down to voucher clerks, revenue clerks, personnel administrator, payroll clerks - the whole works. There is a complete breakdown of what the 42 are, and I think that will help him out.

MR. COWAN: Yes, thank you, Mr. Chairperson. I thank the Minister for that. That, indeed, will be helpful when we can get a copy of that. As the Minister has had ample opportunity to reorganize his department, and I see he has made extensive reorganization within the department, I am still working from the mindset of how the department was in the previous year. Perhaps I can ask the Minister just to bear with me. I wanted to check through some particular positions and, rather than having us both bouncing up and down, perhaps he can just indicate if there have been any changes in these specific areas, and then I'll be able to update my books as we go through. There is still one Deputy Minister, I would assume, under this?

MR. MacMASTER: Mr. Chairman, to expediate this, could I have a copy of this sent out, copied and sent back, and that would save maybe 10 minutes of us both jumping up and down.

MR. COWAN: Now we're both at a loss; I haven't got my copies.

MR. CHAIRMAN: I think that maybe we could just relax for a minute until it comes back.

Thursday, 6 March, 1980

MR. MacMASTER: I'd be quite prepared to deal with the other part and leave that not passed at the moment, if you so decide, Mr. Chairman.

MR. CHAIRMAN: If you would like to carry on.
The Honourable Minister.

MR. MacMASTER: The portion of Other Expenditures. There's \$174,600.00. That's broken down, Mr. Chairman, in \$25,000 for professional fees; \$600 for membership fees; \$6,200 for office furniture, supplies; \$45,600 for printing and stationery; \$8,000 for postage, telephone, and telegram; \$15,000 for computer related expenditures; \$6,000 for automobile; \$2,500 for advertisements; \$3,000 for publications; \$500 for freight; \$39,500 for travel; \$8,300 miscellaneous; \$1,500 for educational assistance; \$12,300 for grants. The grants, the member will notice, is up substantially. We have put in there \$8,000 for a hospitality grant for the Canadian Labour Congress' convention here in Winnipeg.

MR. COWAN: Yes, well, being a participant of that Canadian Labour Congress convention, I would like to be the first to extend my thanks to the Minister for his hospitality and I look forward to seeing, not only the Minister there, but to partaking of whatever form that hospitality might take.

I understand or I know that last time we perused these Estimates, this particular section of the Estimates, we talked about the various committees that were functioning under the department; and I would hope that the Minister could give us an update on a number of them in general, and in specific I would ask him if he could indicate what the present status is of the committee that is examining the problem, or the situation I should say perhaps, of essential services and trying to develop a policy and recommendations to the Minister.

First I would ask you, Mr. Chairperson, or the Minister through you, if this would be the appropriate area, if he wishes to discuss it under this area or another area, and if so if he would commence with that discussion.

MR. MacMASTER: Well, Mr. Chairman, that moves us right back to Administration and now that the member has the sheet, we can talk about that particular committee.

The essential service situation in Manitoba, as the members opposite are aware, there are those who would like to see legislation as it relates to essential services. I have said in this House, and I have said publicly many times, that the interpretation of essential services is certainly open to debate. There are all types of things that are considered essential.

I asked the Cam MacLean Committee for starters, to look at the health field and see - rather than legislation which all members of this House are aware of that I am not the type of Minister who gets too excited about wanting to bring in a lot of legislation - I asked this committee if they could review, for starters, the essential services problems that may occur within the health field.

The unions themselves have formed a committee and are working very hard at establishing some type of formula that could be related to the possibility of a shut-down in a particular health institute. And I won't go into the details of all the institutes that that would involve. The Manitoba health organizations plus others, senior people associated with institutions that deal with health in this province, have formed a committee and they have had a series of meetings. I have met personally with the group, representing the labour side of that particular issue, and I have also met with the people involved with the management of those particular institutions.

I'd like to believe - and it's a belief only and a feeling, Mr. Chairman - that substantial progress is being made by those two particular groups, with the assistance of Mr. John Atwell and Cam MacLean, and I have some of my staff attached to that particular body.

So I guess the bottom line answer - and I think I had to take a little bit of time to answer it - but the bottom line is that progress is being made and I'm hopeful that an understanding between both sides will be reached, which will be acceptable certainly to myself and to the citizens of the province.

MR. COWAN: Well, just further to that, Mr. Chairperson, I recall reading - and right now I don't recall exactly where it was - but I recall reading that this committee had reached an impasse not too long ago and that the committee had then broken off into two sub-committees, one of which would be the labour representatives of the committee, to try to sort out among themselves those representatives representing various and different unions

Thursday, 6 March, 1980

that would come under the influence of any sort of essential services policy legislation or regulations, and that they were trying to, among themselves, come up with recommendations and guidelines which would be brought back then to the whole committee and discussed at the whole committee before that committee made a report to the Minister.

I would just ask the Minister if my recollection, which is right now coming from past reading - and I don't have it before me - is essentially correct - no pun intended - and if the Minister can indicate if he expects their recommendations to be put into the form of official policy or regulations, or perhaps even legislation. I know he is not in favour of legislation but the end result of this committee must be put in place in some official way, otherwise the committee's work has been frivolous to a certain extent.

MR. MacMASTER: Mr. Chairman, occasionally the English language creates problems for all of us. The word "impasse" has a variety of meanings. I suppose it could be interpreted by some to mean that nothing else can be done. You've come to a point where there is a point of no return. I like to believe that the word "impasse" means that you have come to a difficult stage and then further things can be done.

I understand what the member is saying. I suspect that during deliberations such as these, two groups, or three groups or the whole entire body that's involved in this particular situation have come to what they thought was very difficult times and momentarily might have thought that they were at an impasse.

I have, as I said, specifically found time to meet with both groups and I have spent some considerable time talking to the Chairman of those groups and the Chairman of the entire committee, Mr. Cam MacLean. If the word "impasse" was meant to mean that no further progress was possible, then that interpretation is certainly not correct.

I think at the time that I met with both groups that there certainly were some difficult times being experienced by both sides, and the word "impasse" might have been thrown in in sort of a frustrating sort of a moment, in one way or another. I suppose I've used the word myself, but the possibility of a solution and a formula being reached by those two groups under the final authority of Cam MacLean is certainly not an impossibility, Mr. Chairman. It's going to be difficult, you betcha. Lots of things in life that are worthwhile are very difficult and these two groups have worked extremely hard. It's a whole new area that they're exploring and I commend both sides for exploring it. I would suspect that both sides are being frowned at a bit from those that they represent because it is such a new area, and that sometimes happens when you're exploring new ways to do things are those that are somewhat hesitant about going along with it.

But I think they both showed a tremendous amount of initiative; they worked very hard at it, and they're certainly not at an impasse. The real meaning, I suppose, of the word impasse is that things have come to an end, that nothing can further be done. That is not the case. But, difficult times? You bet, they've had some difficult times.

MR. COWAN: Thank you, Mr. Chairperson. I did not mean to imply that the group had reached a position that was irreconcilable between the two of them. I think that I have to concur with the Minister that it is a difficult task that they face and one that may or may not result in some definitive policy or recommendations coming from that group.

I think the Minister has to be - I think the Minister is - aware that there's always that possibility when you're dealing with an area where postures have been built up over a number of years - and we're not talking about a short number of years but we're talking about decades upon decades - and where individuals have become locked into certain positions. And it's going to be difficult; hard times, as the Minister says, will certainly be a part of that committee's work. We can only wish them well because it is an area that is important to all of us at one time or another. It's important to society as a whole.

I would just like the Minister to indicate when this hospital sector working party began their deliberations on this item of essential services. Perhaps, Mr. Chairperson, I can be of some assistance to the Minister. Can the Minister confirm that it was established in the fall of 1976 as a working group or working party and that it has, off and on from that period of time, been involved with discussion of this particular area of essential services?

MR. MacMASTER: Yes, Mr. Chairman, I understand it was in 1976 that they first established it and, in talking to groups from both sides, individuals from both sides, I don't think in the first year or two there was very much really done.

Thursday, 6 March, 1980

I specifically, by phone, personally, and I even believe by memorandum, asked the chairman of that committee to - I really don't care what the word is - reactivate the interest, get them back to talking about it. I believe - and I'm guessing - I think in the last eight or nine months Mr. Atwell has been sort of put in charge of that group - he's the Vice-Chairman of the entire body - to see if they couldn't rather than just carry on occasionally meeting, whether they couldn't get right down to the crux of the matter and start attempting to do something. And I think that's where the word "impasse" came into the whole situation. There was no such thing as any need to imply that there was an impasse for the first couple of years because I don't think really there was very much done in the first couple of years and to have some type of impasse would have been impossible. But now they're getting down, in the last few months, to some very very serious discussions, very serious positions, and now we're facing that difficult time where there has to be a great deal of give and take.

When this will be completed, I can't give you an answer, Mr. Chairman. I say to the members opposite that we're at the difficult stage and it's been there for the last couple of months at least. Positions are being taken now, documentations are being handed back and forth, various positions are being presented to each other, so they're really into the crux of it now and I would hope very shortly . . . I don't know what other word to use; I think we all would hope it would have happened yesterday but it's not the kind of thing that I'm prepared to push. I think it's too sensitive for me to actually push either side. I have asked them to keep at it, work at it as hard as they can and I believe they are.

MR. CHAIRMAN: The Honourable Member for Kildonan.

MR. FOX: Yes, Mr. Chairman, I can concur with the Minister and with the Member for Churchill that this is a very critical and crucial area and probably will take a lot of time to determine. But I wonder if the Minister has any policy thrust that he can inform the members about, in respect to essential services, should we ever get a definition of what areas are essential.

MR. MacMASTER: Well, Mr. Chairman, I don't have a specific documented statement on essential services. Our government and myself, as the Minister, have said that possibly one of the most essential things in society today is your health delivery system. That's why I have encouraged - and I think that's the simplest word, "encouraged" - these parties to work so very very hard at this particular area. And I am not going to prejudice or impose in any way, shape, or form, any thoughts that I may have on these two particular groups. I think they are better equipped, through their years of working in that particular field, to come up with a formula or system of handling their difficulties, which will be acceptable not only to government but I think to society as a whole, and I'm not prepared to impose anything on them, in the way of documentation or in the way of verbiage, that would interfere with their particular deliberations.

MR. CHAIRMAN: The Honourable Member for Elmwood. I beg your pardon; the Honourable Member for Kildonan.

MR. FOX: Thank you, Mr. Chairman. I didn't expect the Minister to indicate what he thought was essential services. All I was asking is whether he was prepared to indicate, once the definition has been given, whether the department is going to look at legislation or whether it is going to look at, still, negotiations in respect to the arrival of how this delivery carries on at that time.

MR. CHAIRMAN: Before I acknowledge the next speaker, I think that I had erred previously in acknowledging the Honourable Member for Kildonan as the Honourable Member for Elmwood and I hope the record will show that it was the Honourable Member for Kildonan.
The Honourable Minister.

MR. MacMASTER: Mr. Chairman, I can't say at this particular time, and I'm not running away from the question, it's just a fact that I can't say whether legislation will be required; whether regulations will be required; whether it will be an accepted formula, and I don't want to interject any of that into the deliberations of these two groups at this time.

Thursday, 6 March, 1980

MR. COWAN: Yes, thank you, Mr. Chairperson. Well, it is a critical and crucial area, as the Member for Kildonan has said, and it is a sensitive area, as the Minister has said, so I think perhaps we should be content to just clear the record a bit and then inform the Minister that we will be watching very carefully the progress of this group because we have great interest in what they are doing, interest on behalf of our constituents and interest on behalf of our province.

I want to, for the record and for the record only, Mr. Chairperson, make certain that I have the origins of this group properly because I don't want the Minister either claiming credit for something which was not justifiably or rightly his and I do not want the Minister also being stuck with credit for something or being stuck with criticism for something that was not justifiably or rightly so his.

So I'll just ask the Minister if he can confirm that, as per our conversation a few moments ago, which he has confirmed, that the group started in 1976. Last year we had asked the Minister . . . As a matter of fact the Member for Kildonan had asked the Minister as to when that group had started and what it was doing and why it was existing. At that time, the Minister seemed to be a bit uncomfortable with it. He said, "I inherited it", which is no excuse for not having an answer of why it's there. So the group has been functioning for quite some time and the Minister, quite justifiably so, indicated that it was not functioning when he took over the portfolio after the previous Conservative Minister of Labour had held that portfolio for some time, a period when a number of committees were not meeting. This is not to take away in any way the work of the Minister in getting that committee back and functioning, and also seeing it through some of the more difficult times that it's experienced in recent months. So I just think the record should be clear as to the chronological order of the development of that particular department. I am just thankful that I have the opportunity to clear it up, in that regard.

I would like to, then, go on and if I can ask the Minister to bear with me, because, again, I am still trying to transfer my records over to his new reorganization. I'm having some difficulty, even with the sheet that he provided me. I would just wish the Minister to indicate . . . I am not certain of the exact procedure to follow, so I am open to suggestions on this as to how we can clear this up. Last year under the information that we received from the Minister during the Estimates it was indicated that there were 17 clerical staff at that time, which was then known as the Administration Division employees. Are there still 17 clerical staff, and which clerical staff would those be on the list that the Minister has just presented us? And if the Minister wants to come back with that information later in the evening, just so we're sure that we will get it, and we will be able to discuss it. Because what I am trying to do is find out where staffing changes have occurred, and I think that is a legitimate concern of the opposition.

MR. MacMASTER: Well, Mr. Chairman, I really don't know. Maybe the member opposite can send me his list of his 24 that he is referring to from last year because that number doesn't register anywhere in my mind or in any of the records that I have. So if he is working from a number of 24, as he said he was, from last year, then it's virtually impossible for me to work from that number itself. I've sent the list over of the numbers; the categories are all there, the numbers of various people, the titles of the people, so if he would wish to send over his list of 24, or whatever sheet he got that number from, then I will attempt to establish where that came from.

MR. COWAN: I think perhaps, rather than take up the time of the whole committee, if I can suggest, I will try to sort that out and give it to the Minister some time today, then we can work back and forth. It's a complicated detailed matter because of the reorganization, but I just want to be certain that we know where the staffing is being changed. There is one particular position on this list that the Minister gave us that I would like to discuss in some detail and that seems to me to be a new position, so I would ask the Minister first if he can confirm that the communications co-ordinator, which is about six or seven down on the list, is a new position in the administrative department and was not in the department last year.

MR. MacMASTER: That's right, Mr. Chairman. There was . . . still I am really at a loss as to the member's 24. If I can get that, I will attempt to explain from there up. But, yes, the communications co-ordinator is a new position.

Thursday, 6 March, 1980

MR. COWAN: As it is a new position, perhaps the Minister could take this opportunity to explain the functions of that particular person. We would also appreciate the salary figures if the Minister has those available, and any other information that the Minister might believe pertinent to this discussion.

MR. MacMASTER: The staff will see if they can dig out the salary for that particular position, Mr. Chairman. The duties are to provide a centralized communication service related to the development, production, and delivery of information bulletins, publications and internal departmental communications. We found that there was a great amount of information that people throughout the province were not being made aware of. Pamphlets and literature were not really being sent out, were not really being produced. It's one thing to have a department of employment standards, or M. and E., or whatever the case may be, but if people are not aware of what the services that are being provided are, and if people are not aware of really where their tax dollars are going, and the numbers of people who are providing that particular service, I think we're doing a disservice to our citizens.

My department, in fact everything I'm responsible for, is pretty fairly people-oriented. So we're not dealing so much with buildings and bridges and trucks and that kind of thing; we're dealing with people. It's a service department, and I think one of the main functions of that department is to at least get the knowledge of what the service they are providing, get that knowledge out to people so they can either take advantage of it first, or if they don't think it's sufficient they can certainly make you aware of that.

MR. CHAIRMAN: The Honourable Member for Transcona.

MR. PARASIUK: Yes, Mr. Chairperson. In connection with this communication officer, I wanted to ask the Minister if he was aware that the appointment of this communications coordinator runs counter to the recommendations of the Task Force chaired by Con Riley, I believe, of Dominion Tanners, and the former Minister responsible for the Task Force, the Member for River Heights, who said in their Task Force report that the government of the previous administration was proliferating a number of communications' officers and that this could best be handled through a more centralized mechanism, specifically using the Information Services Department.

Now, I'm wondering if the Minister is aware that this appointment runs counter to the recommendations of that Task Force.

MR. MacMASTER: Well, Mr. Chairman, I'm somewhat aware of that particular facet and I still say that I, particularly as the Minister of Labour dealing with people as I do within my departments, felt it was essential that this particular position be created and filled.

MR. PARASIUK: Thank you. I'm not attacking the appointment of this position. I just wanted to get the Minister's impression of this because I, too, share his impression of the value of that Task Force and in fact felt that the government would have been terribly hamstrung had it implemented the major recommendations of that Task Force report, and I'm glad that he's kept an open mind on this particular matter.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I would like to raise with the Minister his performance and his position in regard to the question of the construction of the Winnipeg Arena, because as one who has followed this for a number of months, I must say that there is some doubt in my mind as to whether or not this matter was properly handled, both by the city and by the provincial government.

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

MR. MacMASTER: Just to clarify for the Member for Elmwood, Mr. Chairman, this particular item would be better discussed under the M. and E. Division of our department.

MR. CHAIRMAN: The Honourable Member for Elmwood.

Thursday, 6 March, 1980

MR. DOERN: Mr. Chairman, one of my problems is that I may not be here when that comes up, because I'm attending the meeting tonight, in relation to the crisis in Winnipeg's educational funding, so I would like an opportunity to discuss it here under the general provision of Administration.

MEMBER: That's your responsibility, Peter. . .

MR. CHAIRMAN: Thank you for the advice. I would like to advise the honourable members that we should try to follow the items as closely as possible, and as Chairman of this committee I would have to rule that it would be up to the members to be here at the time that the items are being discussed.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Mr. Chairman, perhaps you could advise me. I wanted to speak about women in trades. Is this the appropriate time to speak about that?

MR. CHAIRMAN: Well, there is a Women's Bureau that is following very very closely, but if it comes under Administration and Salaries, I would allow you to continue and ask your questions.

The Honourable Member for Fort Rouge.

MRS. WESTBURY: Yes, Mr. Chairman. I wanted to refer to the brief that was sent by the Provincial Council of Women, I believe, to the Minister, and also from the Women in Trades Association, and to ask whether he intends to seek qualified women as possible appointees to the Apprenticeship Board and the Trade Advisory Committee, when we could expect announcements on that and hoping that he would encourage both management and labour to do the same; whether he intends to actually promote female entrance to trades at the base level; and whether he intends to accept their suggestion for an ombudsman function within his division. --(Interjection)-- ombudsperson.

MR. MacMASTER: Mr. Chairman, the appointment of women to the advisory bodies that relate to apprenticeship is a legislative matter where you ask for representation to those particular groups. We have sent notification to management people and to unions asking them to give consideration to appointing a woman as their representative to any or all of those particular committees, if they so wish.

Under the Apprenticeship Division we'll be quite willing to talk about how we hopefully hope to encourage women to get into the apprenticeship field. That's under the Apprentice Division, Mr. Chairman.

I haven't given any further thought to the ombudsman part, Mr. Chairman.

MR. DOERN: Mr. Chairman, just a question, since we're playing questions and answers.

The gas connectors, that whole question in handling, I'd like to know, within the breakdown, where that would occur.

MR. MacMASTER: Well, Mr. Chairman, I thought to be questioned and to answer was really the mechanism that we were going through here, the procedure.

The particular question that the Member for Elmwood raises is also under M. and E.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. I'd like to go back just briefly then to this position of a communications coordinator, because I recall someone mentioning to me at the time, or around the time that this person was hired, that there was a person who was hired by the Minister to coordinate communications, and the Minister is indicating now that he is responsible for writing press releases and making certain that, I believe, the mailing lists are updated, etc., that the many pamphlets that the department does provide are going to the proper people so that they will be used, and that's important. It's one thing to print the pamphlet, but you have to get it into the hands of the workers who can be directly influenced by the information in that pamphlet.

Thursday, 6 March, 1980

But I would also like to know if this person has been hired to modify or to attempt to help modify the image that the Minister had among the public. I bring that question up, not in any disrespect, but because of certain statements around the same time that were made by the First Minister to the effect that it was not the policies and the programs of the Tories that were so bad, but it was the public's perception of what they were trying to do.

And at that same time we saw a number of communications coordinators being brought into the various ministries, not only this ministry but other ministries, or people that had communications fields that were being brought in specifically from the media sector, that were being brought in from television, that were being brought in from the printed media and the electronic media.

I accept the Minister's explanation that this person is making certain that pamphlets get out to the proper people and I think that is a proper use of such an individual.

I am somewhat cynical that perhaps that is not the only function of this individual and that this individual has actually been put in place to help smooth out some of the rough spots, not only in the Minister's department - and I don't single him out, because we have rough spots in all the departments, and it's certainly obvious at times that I could use a communications coordinator to smooth out some of the rough spots that I present to the public.

But I would be concerned that that is not in keeping with what the Minister explained to us was the primary purpose of this person; and also not in keeping with the whole restraint policy and philosophy of the government. That we have another position created for the purpose - a very political purpose - of tending to modify one's public image. Not that it isn't necessary at times for all of us and not that it isn't productive in many respects, but I would just like the record to be clear that that may well be the case.

Another reason that I ask this, is I happen to follow the Minister's columns in the northern newspapers and follow the Minister's press releases with some great interest, and I notice at the same time that these were starting to change in tone and they were starting to be modified to a certain degree, and I can only attribute it - maybe unjustifiably so - but I can only attribute it to the fact that their communications coordinator did come onstream at that same time.

So I'd ask the Minister, is this communications coordinator being used to write the columns of the Minister for the media? Is he being used to write the press releases for the Minister? Is he being used to help create and repackage the Minister for public consumption as well as for the very legitimate purposes of disseminating information to people who need it most?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Well, first of all I guess we have a difference of opinion as to what my image is in the eyesight of the public.

The member opposite, with a little bit of support I guess from the Member for Elmwood, seems to think that there is an image problem. He's talking in fairly general terms when he talks about other departments bringing in people. I'm sure he's quite capable of asking other departments why they feel people are essential, or positions are essential.

I'm not satisfied that - and we're talking about the Minister of Labour now, that's what the discussion is here - that there was need for any great image change. I don't think I have changed a heck of a lot in the last 15 or 20 years. I might have calmed down. If anybody changed my image, I think, in the last few years, it was probably a very delicate little lady living in northern Manitoba. I don't think it was anybody that I would hire within the civil service that would change my particular image to the people in Manitoba.

The position I felt was absolutely essential, that we do in fact get across to people the services that they are entitled to and the services that we are providing. You do this sometimes with the thought in mind that people (a) hopefully will appreciate it; but (b) you also run the risk once you make people more aware of what you're doing of getting a lot of criticism for not doing enough or not being in the right place at the right time.

So that's a risk that I thought was essential, to take within our department. The government felt that it was a position that was absolutely necessary, particularly, again I emphasize to the members opposite, particularly in my area where we're dealing with people. Every bit of my responsibility is people-oriented, totally, service provided to people, assistance to people, and I think it's important that people are aware of what they're entitled to. That's the whole meaning for that particular position.

Thursday, 6 March, 1980

MR. COWAN: Yes, thank you. I can be very brief then because I don't want to belabour the point.

Does the communications consultant write press releases for the Minister? Does the communications consultant write columns for the Minister? Those two very brief questions, I think, an appropriate answer or a complete answer to that would satisfy at least myself in regard to the function of this particular individual within the department.

MR. MacMASTER: Mr. Chairman, the press releases are reviewed by this particular gentleman, I ramble through, in my own way with my own press releases, and there's a variety of people that look at them and say that the language isn't the best. I'm not too famous for being too articulate with words and there are a variety of people that look at the wording of the way I say things. That is not the role of this particular individual to clean up my language, I have other friends that do that particular thing.

MR. COWAN: Thank you, Mr. Chairperson. I just then ask the Minister if this would be the appropriate area to discuss the Construction Industry Review Committee that is currently attempting to deal with some of the labour relations conditions within the construction industry within the province.

Well, the Minister for - excuse me, I gave the Member for Minnedosa an honourable position that perhaps he deserves but he does not hold, and alas, be it. I would ask the Minister then if he can briefly update us as to what is occurring in regard to the operation of this particular committee, if he can give us an overview of the meetings they are holding and the procedures they are following. Now, this does take on added significance, because it is my understanding, as we stand here today, that the construction industry trades and the construction industry employers are now currently beginning in the infancy of the negotiations for this 1980 year.

MR. MacMASTER: The Member for Churchill is correct. Negotiations are in process. What excellent work has been done by the unions and by management in this particular industry and, I have to say, by some of my staff, again by Cam MacLean and Mr. Atwell and others, that work we hope now will bear fruit. I don't think we have to go into history on what's taken place. It's been said many times, both sides have done an incredible job of, if nothing else, learning and understanding the principles that the other parties have, the aspirations of both sides. There are other meetings scheduled. Negotiations are taking place and I think you'll find that at this particular time, negotiations will undoubtedly carry a precedent over other meetings that may take place at this particular committee.

MR. COWAN: If I understand the Minister correctly then, he is indicating that the meetings of this particular committee will probably fall off in direct relationship to the negotiations that are taking place throughout the industry generally, and that we would not expect to see substantial progress being made for the next short period of time in regard to deliberations of this committee.

MR. MacMASTER: Mr. Chairman, I know that other meetings are scheduled, and I leave it to the wisdom of both parties that are involved in this particular committee to deal with the timing of those particular meetings at their own discretion.

MR. COWAN: Thank you, Mr. Chairperson. Perhaps the Minister, and I don't ask for the figures now, but if he can send them over at some time, can send over financial figures as to the cost of this committee meeting in regard to the Hecla Island sessions, I believe some of which were funded jointly by the employer in the employee groups, and some of which were funded by the department itself.

Last year, when discussing this, we got in an awful keffuddle over funded and unfunded in vacancy positions, and I'm wishing to avoid that because it was primarily my own inability to grasp the new terminology that got us into that situation. But I feel I have to address myself to the issue of the number of positions that are vacant. As the Minister has already indicated, the person who is on leave - and I'm not certain from which department, but I believe the Workplace, Safety and Health Department - will be coming back to carry on with the study on carcinogens. I don't know whether or not the consultants on women's issues, the people that are going to be involved in advisory council have been brought onstream yet. Can the Minister then just for the record indicate how many vacancies there are currently and

Thursday, 6 March, 1980

how many of these positions were vacant last year and how many positions are funded and unfunded? I hope I have the funded and unfunded correctly. I may stand corrected.

MR. MacMASTER: Mr. Chairman, there was - I think the word "game" is probably the appropriate word - there was a game played for a period of years within the structures of, I think just about all departments of government. I found the particular game to be unacceptable and it's been changed I think throughout the entire government at this particular stage. That game was where in presenting Estimates, x number and let's use the number of 40, 40 positions would appear, 35 would be funded. That I found to be unacceptable. I felt that when you get in the Legislature and you present your Estimates, that all positions should be funded. If you require a position during the course of the year, then you go after it under whatever administration, whatever set of procedures are in place, and I corrected all those situations last year in our department that had carried on for a number of years. The Member for Churchill may remember that there was a large number of people that filled up many departments and many areas within our Department of Labour last year. There were several in Safety and Health and some of the fire commissioners, M. & E., a variety of positions that had been unfunded and in fact we funded them, which meant that there would be people in those positions.

I should say that the restraint that the member mentioned, I don't think is in evident, except for what we felt was to be good management and holding down in particular areas of our operations, but there was additions last year, there's additions this year and the member can rest assured that all those petitions are funded and will be built. Presently there are two, I believe, positions vacant, not for any specific reason except that the persons have moved out and that they will be filled. There's three positions that are vacant at the moment, three new positions, 42 to 45, they're obviously vacant at the moment.

MR. COWAN: If the Minister could then indicate when he would expect - we already know that the special consultant on the carcinogen situation will be coming in, I believe, in six months. . .

MR. MacMASTER: Three months.

MR. COWAN: . . . in three months, the Minister corrected me. Can the Minister indicate when he would anticipate the two other positions having to do with the Advisory Council on the Status of Women would be filled?

MR. MACMASTER: Once I get through my Estimates, Mr. Chairman, I propose to have them bulletined, posted and advertised, the normal civil service routine.

MR. COWAN: Well, while discussing that item, Mr. Chairperson, perhaps I can just address my remarks to the floor for a few minutes. I was pleased, as were most members of this House, I imagine, to hear that the Minister was calling for an Advisory Council on the Status of Women, and at the time of the announcement in the Throne Speech, we indicated that we felt it was a positive step, or at least I do, and that we would await the Estimates to examine in detail exactly what it was that the Minister had in mind in this regard; that we would want to know specifically what the mandate of this advisory council was, how this advisory council would be formed, who would be on it, what particular situations it would address itself to, how it would work in conjunction with the existing Women's Bureau, how it would supplement the activities of the Women's Bureau and, generally, what impact the Minister anticipated that such an advisory council would have on the women of this province. Because it is an area that demands attention; it is an area that, as of the current time we are lacking in effort in some instances, we are lacking in initiative in some instances and, therefore, when an innovative action, such as the Advisory Council on the Status of Women is proceeded with, we are supportive of those actions and we are also supportive of the efforts that the Advisory Council will take on behalf of the women of the province.

Having said that, I would ask the Minister, if when we reconvene in a few short hours after the break from Private Members' Hour, if the Minister could come back with some description as to what he anticipates to be the function and the format of the women's Advisory Council on the Status of Women, and we at that time will continue the discussion briefly in this regard.

MR. CHAIRMAN: The hour being 4:30, I am interrupting the proceedings for Private Members' Hour, and will return at 8:00 this evening.

Thursday, 6 March, 1980

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. The hour being 4:30, we are now into the Private Members' Hour. The first item of business in Private Members' Hour today is Resolution No. 2.

The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. It has come to my attention that there has been some objection to the first two "whereases" of my resolution and I would therefore beg leave from the House to amend the resolution accordingly to meet with those objections.

MR. SPEAKER: It has been suggested that this item be withdrawn and the member will re-submit it.

The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. I will ask you to excuse my ignorance on this matter. Perhaps I had falsely indicated that I wanted to withdraw the item; I would much prefer leave of the House to amend the item so that we may discuss what I consider to be an important resolution.

MR. SPEAKER: There is agreement in the House then to let the member withdraw it. He will make his corrections and serve notice, and it will then appear again on the Order Paper.

Order please.

MR. JORGENSON: Mr. Speaker, what the honourable member is asking for is leave to make his amendment now, or to make correction - we have given him that permission - and then proceed with his Resolution today.

MR. SPEAKER: Order please. May I suggest to the honourable member if he reads Citation 414 of Beauchesne, "If a Motion is ruled out on the grounds that its wording is objectionable or its allegations are irregular, the mover is not thereby deprived of the right to move it again. After having made the necessary corrections and given a new notice, if the irregularities are trivial or without bearing on the main purpose of the motion, the House may agree to rectify that, but the mover himself cannot amend his own."

The Honourable Minister of Consumer Affairs.

MR. JORGENSON: Mr. Speaker, the member has asked permission of the House for leave to introduce amendments which I presume he has prepared and ready to go forward. With the permission of the House, and I don't know of any objection voiced here in the House on the original resolution - there might have been outside the House but none was voiced here - with the permission of the House, surely the honourable member has the right and the privilege to go ahead and amend his motion, and he has been given that permission.

MR. SPEAKER: I am at the mercy of the House if the . . .

The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. Then again I will have to beg your indulgence and seek advice. I wish to delete the first two "whereases" by way of amendment and not replace them anywhere, just have the resolution start with the third "whereas". Should I start from that point in reading the resolution?

MR. SPEAKER: Is that agreeable? (Agreed)

Thursday, 6 March, 1980

RESOLUTION NO. 2 - UPGRADING BAY RAIL LINE AND PORT OF CHURCHILL

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker, I move seconded by the Member for Elmwood, that:

WHEREAS Provincial Progressive Conservative cutbacks in Churchill have caused undue hardship and extreme economic dislocation in the community, and

WHEREAS Liberal and Progressive Conservative Federal Government's lack of commitment to Churchill and Hudson Bay Railway have prevented the Port of Churchill from reaching its full potential, and

WHEREAS the Port of Churchill should play an important and viable role as the Prairie's only salt water port,

BE IT RESOLVED THAT the Government indicate its commitment to the port and the community of Churchill by immediately reversing their policy of cutbacks of programs and economic options for the Port of Churchill.

MOTION presented.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, just to keep things in what I think should be in order, if the honourable member is suggesting that there have been cutbacks, and if we assume that to be true, which I am willing to, but others may not be, and he is asking for the reversal of cutbacks, he is asking for an expenditure of public funds, then he at least should put in, just to be on the correct side, that the government consider the advisability of reversing its cutbacks, etc., etc., etc.

MR. SPEAKER: The Honourable Member for Rock Lake on a point of order.

MR. HENRY J. EINARSON: Mr. Speaker, I rise on a point of order. That as far as I'm concerned from what we were given to understand this morning, there is some utter confusion right now in this whole situation. In all the years I've been in this Legislature, I have never seen a resolution put on the Order Paper and then at the moment that the member who submits that resolution stands up and says that he has found there are some errors in his presentation of that resolution, wishes consent to resubmit the resolution by correction, and then expects those on this side of the House to debate the matter. I think that as far as I'm concerned, the resolution should be resubmitted by notice and brought in on another day. I think that because of what the member has just given us, we'd probably be prepared to. . .

MR. SPEAKER: Order please. May I point out to the honourable member that I had suggested a course of action. The House gave unanimous consent for the member to make the corrections right here, and debate shall proceed.

The Honourable Member for Rock Lake on a point of order.

MR. EINARSON: Mr. Speaker, on the point of order, I noticed when you, Sir, had brought the House into Private Session, and because of the fact that we have two sessions going, both in Room 254 and here, a number of the members, and I want to say particularly our Whip was not in the House when the first thing proceeded, and as a result, I think that if other members here from our discussion this morning had been in the House at the time this began, there would have been some objections. And unfortunately, I say, Mr. Speaker, it's not in fairness to you that those that have been here had not come back from the other committee.

MR. SPEAKER: Order, order please. May I point out to all honourable members that absence of particular members from the Chamber is not sufficient reason to overrule a decision that has been taken by the House. The Honourable Member for Gladstone on a point of order.

MR. JAMES R. FERGUSON: Yes, Mr. Speaker, I think I would have to agree with the Member for Inkster that there is in this resolution a mention of economic options for the Port of Churchill which may involve expenditure of moneys and I certainly would be inclined to agree with him. I think it should be considered.

Thursday, 6 March, 1980

MR. SPEAKER: The Honourable Member for Inkster on a point of order.

MR. GREEN: Mr. Speaker, I certainly didn't raise the question in order to forestall debate. The members had agreed to give the member the opportunity to amend his resolution right there and then. That certainly is not taken back. Now he has the resolution on the Order Paper which could involve expenditure of money. All I'm suggesting is that the words "consider the advisability" be put in and then we proceed, which I don't see how anybody could object to, having given him the leave to go ahead and make the amendment, it still has to be in order when it's made, that's all.

MR. SPEAKER: Order please. I have looked at the resolution, and the resolution indicates that the government indicate its commitment, which in my opinion does not necessarily mean that there is an expenditure of money, it's asking the government to indicate by immediately reversing their policy of cutbacks of programs and economic options for Churchill. Perhaps it is advisable that I take the matter under consideration. The Honourable Member for Kildonan on a point of order.

MR. FOX: Just to save you time of consideration, I'm sure my colleague is prepared to withdraw it if that's necessary. If he has the consent of the house, we'll do that and go on to the next resolution, and I'm sure he will resubmit in its proper form.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. May I just speak to that for one moment so that there be no misunderstanding. I had not intended to upset the apple cart as it were or to hoodwink anyone. I assure the members opposite that there was no devious intent in my wanting to proceed with this resolution today. It was only because I felt it was a matter that should deserve the consideration of this House as soon as is possible, for one reason alone, in that I feel it is a very important matter and I welcome the participation of the members opposite. I think that they will be able to provide some valuable input into this debate and I do not want to catch them off-guard, even inadvertently. I'm willing to withdraw this resolution and to resubmit it onto the Order Paper so that we may have a full discussion in the proper context at the proper time.

MR. SPEAKER: Well in order to try and eliminate some of the confusion, is there now consent for the member to withdraw his resolution and resubmit it? (Agreed)
Proposed Resolution No. 3 - the Honourable Member for Churchill.

MR. COWAN: Stand, Mr. Speaker.

MR. SPEAKER: Resolution No. 4 - the Honourable Member for Brandon East. The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, on a point of order with respect to Resolution No. 3. In the same way as the last one, it contemplates that the government immediately reactivate construction, which involves the spending of public revenue.

MR. SPEAKER: Resolution No. 4 - the Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I have before me the resolution dealing with interest rates as printed in one of the Orders of the Day. I presume this is an accurate copy and therefore I will proceed to read this resolution.

I would move that:

WHEREAS the Conservative Government in Ottawa has permitted the bank rate to be raised by the Bank of Canada in four steps from 11-1/2 percent to 14 percent in a period of four months, and

WHEREAS high rates of interest have a dampening affect on economic growth and thereby lessen the rate of job creation, and

WHEREAS small business enterprise in particular is adversely affected by rapidly rising interest rates at high levels, and

WHEREAS the Canadian interest rates are now excessively high in comparison with United States interest rates in view of the fact that our dollar is now approximately 85 percent of the American dollar, and

Thursday, 6 March, 1980

WHEREAS the Manitoba economy in particular has been experiencing unsatisfactory rates of economic growth and job creation,
THEREFORE BE IT RESOLVED that the Legislative Assembly of Manitoba deploras and opposes the monetary policies pursued by the federal government and considers such policies to be detrimental to the economic health of Canada, in particular the Province of Manitoba, and
BE IT FURTHER RESOLVED that the Legislative Assembly hereby requests that the Premier and his Minister of Finance make the views of this Assembly known to the federal government and to beseech the federal government to cause interest rates to be lowered sufficiently to a level that is more realistic and conducive to economic growth.

I move that, seconded by the Honourable Member for Kildonan.

I would just point out on a point of order that there is an error in the printed copy. The second last word says "income" - it should read "conducive to economic growth," not "income growth".

MR. SPEAKER: I have perused this resolution, and again in concert with Citation 414, the House may agree to rectify irregularities that are trivial. I understand that this resolution was proposed and submitted some time ago prior to the federal election. There are some changes that should be made in the wording. I think the House has the authority to make those changes if they so desire. Is that agreed, or would they prefer the member to withdraw it, make the corrections and resubmit it. I leave it to the House to make that decision.

There seems to be an indication to ask the member to withdraw it, make the corrections and resubmit it.

MR. EVANS: Mr. Speaker, on a point of order, specifically what is it that the Honourable Government House Leader wished to have changed? There may be . . . I know we no longer have a Conservative government in Ottawa, but I just assumed that we could strike out the odd adjective, it wouldn't make much difference. If it's offensive to the honourable members, I can change it, but otherwise I don't think the principle is any different. If I could have permission to say, "the former Conservative government," add the word "former" —(Interjection)— It's been pointed out also that in the first resolve, in the third line, "pursued by the former federal government," although I guess we still haven't seen the policies of the present government.

But if it's offensive to the members, I can "stand" it; perhaps with that small change, it would be adequate.

MR. SPEAKER: The honourable member has given me what he believes to be the amendments that he would like, or the changes. It is the opportunity of the House to ask him whether to withdraw it and resubmit it. If that's the wish of the House, I would ask the member to withdraw it and resubmit it. Is that agreed? (Agreed)

Shall we proceed then with Resolution No. 5?

The Honourable Member for Brandon East. Resolution No. 5.

MR. EVANS: Thank you, Mr. Speaker. I would move, seconded by the Honourable Member for Kildonan, that:

5. WHEREAS McKenzie Seeds is a provincially owned enterprise with excellent management and staff, and

WHEREAS McKenzie Seeds is a viable industrial establishment which has made a significant contribution to the economy of Manitoba, and

WHEREAS McKenzie Seeds is the only national package seed company in Canada servicing the major portion of the Canadian market with merchandising operations from coast to coast, and

WHEREAS McKenzie Seeds has an inappropriate financial structure, and

WHEREAS excessively high interest rates are placing an undue strain on the Company;

THEREFORE BE IT RESOLVED that the Legislative Assembly recommends and urges the Government of Manitoba to refinance the McKenzie Seeds Company whereby existing loans or guarantees by the Government of Manitoba, directly or through its agencies, may be converted into share capital.

MR. SPEAKER: I have perused the resolution, and I know there is some concern about the "consider the advisability". However, I have looked at it and I find that it does not make

Thursday, 6 March, 1980

a demand on the provincial treasury. The fact that a member might urge, there is no compulsion on the government to reply, and I find the motion in order.

MOTION presented.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. Perhaps many in this Chamber had no idea that we would be debating this particular resolution so soon in the session, but I don't think we'll have much difficulty in discussing the subject; indeed much has been said about the subject and perhaps much still remains to be said about the future of McKenzie's and its present situation.

This particular resolution urges the government of Manitoba to do something that was planned by the previous New Democratic Party administration. In the years 1976 and 1977 . . . and I'm going by memory, Mr. Speaker, I don't have any files with me and unfortunately I don't have any data with me that I would like to have; if I had had notice, perhaps I would have had some information with me. But going from memory, in the year 1976, we began to prepare for the refinancing of McKenzie Seeds, because we recognized at that time - in fact it was pointed out by my colleague, the MLA from Brandon West at that time, who is now Minister without Portfolio, that the financial structure of the company was not adequate, that the company had a considerable amount of debt, but virtually there was little or no share capital within the structure.

And as has been pointed out by the Minister of Co-op Development, although there had been consideration given to this, the company had brought this to our attention earlier on, it was never deemed to be as urgent or critical, or indeed necessary in the earlier years of the company, but certainly it became evident by '76 that we should, without putting another nickel of taxpayers' money into the company, without any taxpayers' money in terms of subsidy into the company, that we simply take the existing loans, the existing guarantees which would involve the MDC and to some extent, the Bank of Montreal, and convert all or part of that debt burden into equity.

There is evidence on the records in the department and in the MDC, I guess, which would show that we did indeed take the preliminary steps for refinancing. Among other things, we obtained the agreement of Brandon University to allow for a change in the agreement that the government had had with Brandon University. You might recall the first agreement provided for Brandon University to obtain a particular amount of profit, a particular payment from profits, after a certain level of profitability had been achieved. And it was felt that of course, with the Universities Grants Commission now in operation, which wasn't the case I believe when Dr. McKenzie was alive and had made this arrangement, at least back in 1945, now that we had had a Universities Grants Commission in operation, it was felt that there was sufficient funding available through a government agency, namely the Grants Commission.

And that if we were to re-structure the company, that indeed it would be paying profits on the shares and therefore it was necessary to make this adjustment to ensure that the taxpayers of Manitoba would receive a dividend on the ownership of the company. Brandon University agreed to that on condition that we turn over the remaining amount in the trust fund to that university, and that was done. So that was done. So there's evidence of one step that was necessary and that was taken.

The other step involved Mrs. Roberts, the daughter of the late Dr. A. E. McKenzie, who agreed to give up any claim that she would have to dividends, but with one proviso, and that is that we agreed to keep her on the Board of Directors for the rest of her life.

Well, those steps were taken in preparation for refinancing. The refinancing would have been done by the NDP government, had it been re-elected in October of 1977. The situation is today, that the company is still suffering from an inadequate financial structure. In terms of operations, the company is doing very well. In fact, I regret some of the statements made in the House, which to me are demeaning of that particular company. It is, indeed, the No. 1 package seed company in Canada, in fact it's the only major national seed company in Canada. The other seed companies, the competition, are regional companies, and they look to McKenzie Seeds for leadership. McKenzie Seeds has an excellent staff, has excellent management, indeed does show profit on its operations, and this year we're told that it may show a loss, but I'm convinced that that loss is only after the payment of very, very high interest charges to the bank and to the MDC.

Thursday, 6 March, 1980

Now, for the past several years, even with these high interest rates, the McKenzie Seeds organization has shown a profit, even after the payment of the high interest charges to the Manitoba Development Corporation and to the Bank of Montreal. And to me, Mr. Speaker, if a company can demonstrate that type of financial return, it does indeed say something for the viability of the company.

This past year, I believe was a very bad one because of the very late season right across Canada. The spring was very late and indeed it did erode the package seed market, which is a very short market period at that time of the year, late spring, early summer. Also of course, interest rates went up by an unrealistic amount, and therefore this too caused a heavier debt charge on the operation. I'm convinced when we get the report for last year when it's tabled in the Committee on Economic Development, even though there were operational profits made, that is a net revenue on operations, even though we are paying out a very undue amount of interest charge at this time, I would suggest that a careful look at that report when we get it will indicate that there is a very viable company operating in Brandon.

The other point I would make, Mr. Speaker, is that there hasn't been one penny of taxpayers' money put into McKenzie Seeds. There has been no subsidy to the company. There has been an MDC loan and there has been MDC backing of a loan from the Bank of Montreal. But the company has paid all of the interest charges to the Bank of Montreal; the company has paid every nickel of interest, to my knowledge, every nickel of interest owing to the Manitoba Development Corporation, so there has been no interest forgiveness, there has been no easing up on interest rates, as a matter of fact, the MDC charges McKenzie Seeds the going interest rate. Now, I know MDC is now defunctus, but up until this point, the company has been paying the regular commercial interest rate that the MDC would charge normal borrowers.

So there has been no easing of interest rate charges by the MDC, and as I said, all the interest accruing on that loan from the MDC has been paid, all the interest owing to the Bank of Montreal has been paid. So there has been no subsidy from the taxpayers of Manitoba.

As a matter of fact, the reverse is true, Mr. Speaker. Over the past several years, hundreds upon hundreds of thousands of dollars have been paid into the Manitoba Development Corporation, and therefore, ultimately to the Crown of Manitoba, so really, the McKenzie Seeds has made a net contribution to the revenue position of the government. So it hasn't been a drain on the treasury, far from it. It has paid its way, it has made a net contribution.

And of course, putting the financial aspects aside for a moment, I have to note that the level of employment in Brandon is very significant. In 1968-69, when the company was to be sold to the Ferry Morris Inc. of the United States, and then subsequently to be moved to Toronto, the employment at the peak of the season, I believe, was 90 jobs. The NDP came to government in 1969 and subsequently in 1970, we made a decision that the company should not be sold to Ferry Morris but should be kept as is, that is a government-owned operation, and we should at least try to make it viable in the city of Brandon.

Now, one of the critical moves to make it viable - well, there were two critical moves as far as I am concerned. One was to bring in a Board of Directors and a management team that could run the operation efficiently. And I want to say that I am very proud of the fact that we appointed, during our term of office, a very dedicated Board of Directors, a Board that is a working Board that meets monthly, that obtains monthly reports of the operations of the company, a Board that makes a contribution in guiding that company. So I want to take this opportunity to congratulate the Board. We also brought in an excellent management team and eventually there was evolved a very excellent spirit, a very excellent morale among the entire staff of the company.

But the other factor in its eventual success is the purchase of Steele-Briggs, which was up to that time, the largest package seed company in Canada. It had a greater percentage of the market than the McKenzie's operation did at that time, and we did have an opportunity to buy Steele-Briggs from Maple Leaf Milling. Maple Leaf Milling was definitely not wishing to carry on the ownership of Steele-Briggs and gave us an opportunity to buy it, and of course if McKenzies hadn't bought it it would have been purchased by a large American corporation and indeed therefore would have undermined the McKenzie operation in Canada. So we felt as a matter of defence that it would be in the interests of the company, the long-run interests of the company for that company to acquire Steele Briggs.

Well, indeed it acquired Steele-Briggs, Mr. Speaker, but we didn't put any equity into the company at that time. In hindsight I say we should have, but the government put no equity into the company, it simply went out to the bank and obtained an additional loan to purchase Steele-Briggs. But I say we should have no regrets, all of us in this Chamber and in Manitoba,

Thursday, 6 March, 1980

should have no regrets about the purchase of Steele-Briggs because it did strengthen the McKenzie operation. And indeed we moved 60 job positions from the City of Toronto to the City of Brandon, not the people but the job positions, and we consolidated the processing operation therefore, Mr. Speaker, in the City of Brandon, and that is a switch, a rather pleasant switch. Instead of jobs leaving Manitoba to go to Ontario, for a change we moved a few jobs from Ontario to Manitoba, from Toronto to Brandon.

As a result, Mr. Speaker, instead of only 90 employees at the peak of the season it is something in excess of 200. It varies a bit, it may be 225, it sometimes go to 240, but certainly 225 at the peak of the season. Therefore, there is that benefit as well to the Manitoba economy and of course particularly to the Brandon economy.

So we have got a corporation that has evolved; it is nearly three times the size in terms of employment; it has over the years provided many hundreds of thousands of dollars in interest payments to the MDC and ultimately therefore to the Crown; and thirdly, as I said, there hasn't been a nickel of equity, a nickel of subsidy, a nickel of write-off of any kind for the McKenzie operation. So it has paid its way, it has paid its way --(Interjection)-- Well, it has paid its way, it has not had a nickel of subsidy from the Crown. It has not had a nickel of subsidy --(Interjection)-- Well, I would like the Minister or whoever to explain - okay, well, I'd like to know if that is the case. But there has been, to the best of my knowledge, unless there has been something happening in the past year, but up until October of 1977 the fact is that there was not a nickel of subsidy that went into the company. It paid the going rate to the MDC; it paid the rate that was required to pay to the Bank of Montreal. Incidentally, a year and a half or so ago, I believe it negotiated a prime rate in the Brandon locality with the Bank of Montreal that it was dealing with, or is still dealing with, I guess, in the City of Brandon. So it was considered to be a very good customer.

So, Mr. Speaker, we have a company that has a basic liability; we have a company that has not been a drain on the Treasury. What we are suggesting in this resolution, that the government seriously consider at this time - it should have been done a couple of years ago, but I say it is time right now, immediately, to refinance the company, which doesn't mean necessarily putting any fresh capital commitment into the company. What it means, is converting the debt obligation into share obligation, into shares, common stock or preferred stock, whatever. What this does, of course, it could - depending on the details of the arrangement - it could mean less money going to the Bank of Montreal; the money could go in the form of some shares to the Treasury, rather than in interest payments to the Bank of Montreal, and of course to the extent that it can, it would pay profit on the shares owing to the Government of Manitoba rather than interest to the MDC. --(Interjection)--

Well, Mr. Speaker, the point is, no business would be financially structured as McKenzie is. Every business surely has some equity in it, and since 1945 there has never been a nickel of government equity in the company, so it is not as though we put up some money and we are in danger of losing it. We have made some loans, and as I said, these should be converted. You have got a basically viable operation.

I would say this, Mr. Speaker, that I do wonder about this plan to have a company such as Bohmer Box amalgamated or take over McKenzies, because as far as I can see McKenzie Seeds has a bigger merchandising operation than Bohmer Box. I don't know that much about this Ontario company, but I think it has got an awful lot to learn from McKenzie Seeds. If anything, maybe McKenzie Seeds should be taking over Bohmer Box, because, as I say, you have an efficient management operation, you've got an efficient merchandising operation; the mail order business is growing by leaps and bounds and there is a basic viability. And because of that basic viability, I say, Mr. Speaker, if that basic viability wasn't there I couldn't be proposing what I am proposing in this resolution. But because that basic viability is there, I say the government of Manitoba has an obligation, an obligation going back to a commitment made by the Premier of this province in October of 1977, and indeed based on statements made by other Ministers of the Crown. It has an obligation to the company, to the citizens of Brandon, to the citizens of Manitoba, to ensure that this company is refinanced so that it can stay as a viable operation in the City of Brandon. It doesn't need a Bohmer Box, it doesn't need other unknown corporations whose contribution to that operation would be very very questionable indeed. They have got an operation now that can pay its way, and if it has the right financial structure, I am sure it will continue to make a significant contribution to the provincial economy.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Rouge.

Thursday, 6 March, 1980

MRS. WESTBURY: Thank you, Mr. Speaker. When I received this resolution I contacted some of my knowledgeable friends in the City of Brandon and was urged by them to support the resolution.

I just want to make one or two comments before it comes to the vote. The regret was expressed, Mr. Speaker, that the Member for Brandon East had not looked after therefinancing of the company, and I think he has already made reference to that in his statement today, when he was in a position to do so, and I think that if that had happened, McKenzie Seeds would not, since 1977, have fallen into the dismal position that we have been reading about in the press. This resolution, I understand, would tie the government closely to the company and relieve the burden of interest payments and then perhaps the company would be able to complete its modernization program, Mr. Speaker.

I would like to suggest, urged by my friends, that the Minister should approach the Board of Directors of McKenzie Seeds and ask for their recommendations on capitalization. I am sure that they would be glad to meet with the Minister and discuss with them their thoughts on this matter.

I will support the resolution and thank you, Mr. Speaker.

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

MR. BANMAN: Mr. Speaker, I would just like to say at the outset that, as I said yesterday before I started to speak, I welcome the opportunity and I welcome the resolution because I think one of the things that has lacked in this particular debate, I think there has been more heat than light shed on this particular subject, to the detriment of this particular company.

One of the problems that we faced with McKenzie Seeds is precisely what the Member for Fort Rouge alluded to in her few brief comments, and that is that the previous administration didn't live up to their responsibilities with regards to this company.

Mr. Speaker, I say to you that in 1974 the Board of Directors, legal personnel, people in the Minister's office, everybody was urging the government of the day to refinance that company. Mr. Speaker, the records all the way through, if you read the correspondence of McKenzie Seeds, that whole year, that's 1974, Mr. Speaker, that's six years ago, six years ago, Mr. Speaker. The Member for Brandon East then has the audacity, and the Leader of the Opposition, who I call the Flopsey Twins, to come and say that for the last two years they would have been the saviours of this particular company. They put out a press release, Mr. Speaker, saying, "Mr. Pawley and Mr. Evans pointed out that if the company had been placed in a more logical financial basis two years ago, as the NDP had urged and as the Board of Directors had requested, it would not be facing the present deficit."

Well, Mr. Speaker, in 1974 the Board of Directors, the legal people involved, the Minister, Mr. Speaker, for the eight years that you were there, gentlemen, you didn't do anything. And really, I guess the mentality and the business acumen is the best expressed by the Member for Brandon East when he says that it hasn't cost the taxpayers of Manitoba one dollar. I say to you, Mr. Speaker, that when those members opposite were in charge of this particular company and when the Red Committee of Cabinet suggested that more money should be put in via an MDC loan, that those \$3 million that they were told, those \$3 million were down the drain and they'd never them back because they had been lost. And what we are faced with is a prime example of someone not facing up to their responsibilities in this particular instance.

Mr. Speaker, I agree that company is totally under-capitalized, that is one of its problems. But, Mr. Speaker, the problem stems from the members opposite, their inaction with regards to this company. We have, Mr. Speaker, a classic example, as I mentioned, of the two Flopsey Twins across the way who are not facing up to the commitment.

Mr. Speaker, as Minister in charge of McKenzie Seeds and a few other Crown corporations, I don't mind accepting the responsibility for what the Premier has said I should be looking after. And I don't mind taking flack from members opposite, from the public, for mistakes that I legitimately have committed, but when I inherit a mess, a financial mess like this government has inherited in this particular instance - they knew, Mr. Speaker, for instance, and I have documentation to prove it, that those \$3 million were gone before they even made the loan, and those should have been written off.

Mr. Speaker, they have recommendation after recommendation before them from the Board, from the Manager, and from everybody saying that please, please refinance because our equity debt ratio is away out of whack.

Well, Mr. Speaker, I am pleased to say that we have recognized it, and I am pleased to say, Mr. Speaker, that in dealing with McKenzie Seeds we, in a responsible manner, are looking at ways and means of how to make that business more viable and stay in Brandon. And, Mr. Speaker, we haven't done anything different than the gentlemen opposite have. I guess the thing that really galls me is, when I was reading the files a couple of months ago, I find out that that member over there, the Member for Brandon East, was entertaining proposals from other companies for the sale of McKenzies. Mr. Speaker, I understand that there were a few members of the Red Committee of Cabinet who were instructed at that time to try and seek out a potential buyer. Mr. Speaker, can you believe that? Can you imagine the gentlemen opposite --(Interjection)-- Mr. Speaker, I know it is not a parliamentary word, but the hypocrites across the way, Mr. Speaker, the hypocrisy of this thing absolutely floors me. I have, Mr. Speaker . . .

MR. SPEAKER: Order please. May I suggest to the honourable member that he use another choice of the English language rather than the word "hypocrites".

MR. BANMAN: Mr. Speaker, I really can't find another word for it, but I guess I am going to have to use the Flopsey Twins over there.
Mr. Speaker . . .

MR. SPEAKER: Order please. The Honourable Member for Brandon East on a point of privilege.

MR. EVANS: Yes, the point of privilege. The Honourable Minister has left the impression that under the NDP Government we had sought out would-be purchasers, and that is not correct. --(Interjections)-- Well, he is leading a false . . .

MR. SPEAKER: Order please. Order please. Order please. That is not a point of privilege the Honourable Member has raised. Order please. I pointed out to the honourable members earlier today that there can be in fact two different stories on the same that do not necessarily have to agree, but it does not constitute a point of privilege.
The Honourable Minister.

MR. BANMAN: Well, Mr. Speaker, I want to deal with this particular matter because, Mr. Speaker, what the Member for Brandon East is doing is splitting hairs, because he had proposals presented to him with regards to that company, and I understand that during the Red Regime over there in the Red Cabinet meetings, that people were involved in wondering what they would do with McKenzie Seeds in 1974, because, Mr. Speaker, they knew that those \$3 million would never be repaid to the people of Manitoba. They knew that loan was an interim loan and they would have to deal with the problem of equity versus the debt position of that company, and it does not take an accountant to look at the books and realize that that company is way under-capitalized, and that is one of the problems the company faces.

But let's deal with really what the members are saying, what they want this particular government to do now is to get them off the hook, that is what they want us to do. But, Mr. Speaker, I as a responsible Manitoban want to see that company continued and will do everything in my power to try and make sure that company stays in Brandon.

I say to you, Mr. Speaker, that the members opposite have done the biggest disservice to the ratepayers and taxpayers of this province, and number one, the biggest disservice to the people of Brandon, with their antics and their charade with regards to this company. It has always been said by myself, my colleague from Brandon West, that there were three options that we could undertake with regards to McKenzie Seeds. Because of the bad equity debt ratio there was the possibility of closing the company down. There was the possibility of finding a partnership, an association equity or a sale, which would ensure the company stay there, or we could continue to run it ourselves, in which case we would have to refinance.

Well, Mr. Speaker, the first part of this equation was categorically ruled out by all of us. We said McKenzie Seeds would stay there in one form or another and we would see that employment continued. But what the members opposite don't realize is that we haven't got a seed company that we are dealing with here, we have got a packaging and distribution company. We could remove all the seeds out of all the packages that we sell and we would have still lost one-half-a-million dollars last year. That is the problem that we have. We have a distribution and packaging company here, and one of the problems with it is that it's a

Thursday, 6 March, 1980

very very short season that we are dealing with, and if we want to strengthen that company it seems very logical to me, having been in business for many years, that what you try and do is utilize your sales force all year around instead of just for four or five months of the year, Mr. Speaker.

But, Mr. Speaker, I guess this is the biggest problem that we have. And you know, I don't want to get into all - I guess I could read from Hansard, every year when we sat in committee, Mr. Speaker, the Chairman of the Board was asked the same question, "Are you going to refinance?" What did the members opposite say? No, as a matter of fact the Member for Inkster there argued against it, because he said at the time it was a matter of semantics, because we have to understand one thing, it is nice to say that the company doesn't have to pay interest any more. But let's use the analogy, who owns the company? The shareholder is the Minister of Finance, who, Mr. Speaker, represents all the people in the province of Manitoba.

Mr. Speaker, if we do the refinancing and we go to Switzerland, as the honourable gentlemen did, and buy Swiss francs, pay 24 percent interest on the money, and give it to McKenzie Seed, who picks up the tab for that? Mr. Speaker, it is the same person, it is the same person. It is the Manitoba taxpayer. It doesn't matter if we get the money in Switzerland or —(Interjection)— You know, the member likes to say that the Bank of Montreal wouldn't get the money. Well, where does he think we're going to get the money? —(Interjection)— Mr. Speaker, one thing has to be understood so that the people of Manitoba realize it, and the Member for Inkster realizes it, is that regardless of what we do it is going to cost the taxpayers a bundle of money. We will face up to that responsibility. There are no money fairies flying over Manitoba dropping money from up above.

Mr. Speaker, the same people that own McKenzies are the same people that would borrow the money elsewhere, so some bank somewhere along the line in Switzerland or wherever will have to be paid this money. There is no getting away from it.

Mr. Speaker, the problem we have with the honourable gentlemen opposite, you know, they say that we are doctrinaire in our approach, but, Mr. Speaker, the problem don't even have blinkers on, they got cataracts. Mr. Speaker, the thing that has to be realized in order to make this company viable, it isn't a field seed company any more. It's a distributing company and, Mr. Speaker, we have to make sure that in the growth of this company that we live up to some certain commitments.

Now, let me tell you some of the problems of the company. Mr. Speaker, before I go on I want to make one thing very clear. Somehow somebody in Brandon, I wouldn't want to mention names, has indicated to the media out there that every time we release a financial statement or something, or say something about McKenzie Seeds we are hurting the financial position of the company. Now, Mr. Speaker, one of the things that has to be realized, and what I did is I sent those particular media people copies of Hansard, what the Member for Brandon East has been saying throughout the years, the questions that were asked of the Chairman. You see, the problem is that people don't realize what this political system is all about and that we could go ahead and ask the Chairman questions about this company. It is public knowledge, the statement is public knowledge, it is a public company. We are not hurting the company. The only thing that is hurting is the type of publicity that the members opposite have generated with regards to this company, that is the only thing. They have done such a disservice to this particular company that, Mr. Speaker, will be hard to repair, hard to repair, because they have picked up on this thing and used as a crass political ploy, Mr. Speaker, a crass political ploy, crass political ploy.

Mr. Speaker, they have done that beautifully. Well, Mr. Speaker, maybe because the honourable member opposite, the Leader of the Opposition, had his own cheering section there. Maybe that is why. But all I can say is that the people of Brandon will wake up one day and realize what the members opposite have done. And if I as Minister responsible for McKenzie Seeds within the next two, three, four or five years can go to Brandon and have strength in the viability of this company, those people opposite are going to have the red faces, and that is my goal. I will take the slings and arrows and the stones that they cast at me right now with regards to this company, but the proof is going to be in the pudding, and I want to see that company continue there and I don't want to see it flounder. If you want to persist in hammering away at this particular aspect of it, gentlemen, it is all yours, but remember that you are really hurting the company, and that is one of the problems of a public-owned company and one of the reasons that the companies have a terribly hard time surviving, because they cannot make the decisions that they do in private industry.

Thursday, 6 March, 1980

Mr. Speaker, we have been chastized. You know, I wonder if the Flopsey Twin over there would be quiet for a little while. You know, we had the Minister of Agriculture last year go through a big harangue by members opposite by MACC and how they didn't give proper appraisals on some of the land. Well, I say to you, Mr. Speaker, that the previous administration sold a part of McKenzie Seeds, a part, namely, Brett-Young, without public tender, by negotiation, without allowing anybody to bid on it. Now, Mr. Speaker, they will come back and say the Board did it. You cannot hide behind that. The Board did it, but don't you come back, don't you come back --(Interjections)--

Mr. Speaker, don't you come back and say that we did not act in a responsible manner to give people a chance who were interested in it. We decided that the bids that we received - and you know the members opposite could have bid on it too and they could have had their own seed company if they wanted to. But, Mr. Speaker, we advertised, that proved not to be a viable alternative, and the government has been very consistent throughout this whole thing. They have said if it is not in the best interests, if we can't assure the job staying in Brandon, we are not going to move on it, and, Mr. Speaker, I have said that, the Member for Brandon East has said it, but the Flopsey Twins, Mr. Speaker, have distorted it.

MR. SPEAKER: The honourable member will have five minutes when this item next comes up.

The hour being 5:30, I am leaving the Chair and the House will return in Committee at 8:00 o'clock tonight.