

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
8 p.m., Thursday, March 18, 1976

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MR. CHAIRMAN: When the Committees recessed this afternoon we were on Resolution 29. The Honourable Member for Fort Garry. The honourable member has 18 minutes.

MR. SHERMAN: Thank you, Mr. Chairman. When the Committee rose for the Private Members' Hour period this afternoon, Mr. Chairmn, I think I was challenging the Minister's contention that there is no decline of morale, there is no morale problem in the Civil Service of Manitoba. I want to go back to that point because I think this is a key and a crucial issue for consideration in these Estimates.

I want to say that I listened with great interest to the Minister's insistence that here is a government and here is a Minister who has listened for the first time to the Civil Service, and to Manitobans generally, in his view, in his words, and I have to ask him whether he and his colleagues have gone beyond listening to the point of inwardly digesting and to the point of responsiveness, because if he believes that he can delude himself into the position of arguing that there is no morale problem in the Civil Service, then I tell him, Mr. Chairman, that he is the only one, with the possible exception of a few of his professional colleagues, he is the only one who is being deluded. He is not going to fool people on this side of the House, and he is not going to fool people in Manitoba generally, and he is certainly not going to fool members of the public service of the province when he attempts to gloss over that issue.

I would say further, that the degree of intensity and emphasis that he gave, the Minister gave to try and deny the allegations of poor morale in the Civil Service, to try to refute that argument, tend to lead one to the conclusion that there has to be something there. Where there's smoke there's fire, and one comes inevitably to the conclusion that the Minister was protesting too much in the classic manner; when he could work himself up to the kind of delivery and the kind of intensity and the kind of wrath that he at least pretended to display in those 45 minutes this afternoon, one is drawn inevitably, Sir, to that conclusion. Why did he spend so much time trying to knock down the contention of poor morale in the Civil Service, or at least declining morale in the Civil Service, if there's nothing there. It's the old sort of smoke screen game, Mr. Chairman, and I suggest that anybody listening to him with any degree of attention would come to that same conclusion, that he must be concerned.

In the same way I would say he must be deeply concerned about the leadership of the Progressive Conservative Party in 1976 in this province. If he weren't he wouldn't spend so much time attacking and criticizing the leader of this party whom he purports or he pretends is of no consequence and somebody who doesn't matter to him politically, and yet we get these continual jousts, verbal jousts from the Minister's Chair with our leader. So one draws one's own conclusions from that kind of performance and that kind of activity, Mr. Chairman. My conclusions, and I suggest the conclusions of anybody listening to the Minister or reading the Minister on these points, are clear. They are: (1) That he is afraid of the new Leader of the Conservative Party in this province; and (2) that he knows he's got problems with the morale in his public service and he's not prepared to attack the problem by anything other than bluster, by anything other than smoke screen, by anything other than verbiage which attempts to gloss the question over.

Sir, I go back to a point I was making at the time we adjourned and I ask the Minister: if there is no problem with morale in the Civil Service, why was there such an intense confrontation last year resulting in difficulty for the Minister and his colleagues where the public service of this province is concerned. I think that's a question that deserves attention and pondering and answer from the Minister because there was concrete evidence of some difficulty and some unhappiness.

I raise the question again of the demands that the Civil Service is making this year in their contract negotiations, and I would suggest to the Minister that all members of the committee would appreciate a report from the Minister as to the status of those negotiations, as to the status of that relationship, the contractual relationship between this

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(MR. SHERMAN cont'd) . . . . government and its servants. We had none of that in the Minister's opening statements; in fact we had very little of substance in that statement at all. I would hope that before we move through these Estimates, considering the importance of the Civil Service and the importance of the Minister's role, that he would give us a report on the status of the relationship, contractual and otherwise, between the Civil Service of the Province of Manitoba and the province itself at the present time, and what do these demands of 1976 from the MGEA in the current contract negotiations mean, what do they constitute, what do they signify? Is there a degree of unrest in the Civil Service that is not being met and not being recognized, and not being faced by the government in the working conditions that exist between the government and its servants? Or just what is that issue in the wide-ranging list of demands - some of them extremely interesting and provocative - that have been put forward by the MGEA at this time?

I would also like to draw the Minister's attention once again to the Industrial Relations Committee and the submission that was made there recently by the Manitoba Government Employees Association, and there's a specific part of that submission that I think should be faced in consideration of these Estimates. It was a section of that submission that was passed over rather glibly at the time the committee was meeting, Sir, and I refer to the Association's request that the Association, the Civil Service, be brought under the Employment Standards Act.--(Interjection)--Well we had . . . No, no, not the Labour Relations Act. We spent considerable time on the submission, the part of the submission that said that the MGEA would like to be placed under the Labour Relations Act rather than under the Civil Service Act. But also in that submission was a request that the Employment Standards Act of this province be made to apply to employees of the Crown, particularly to the MGEA itself. And that part of the submission was rather quickly and rather glibly glossed over.

I confess that perhaps I was at fault there myself, Mr. Chairman. All of us were preoccupied with the focus on the argument between the Labour Relations Act and the Civil Service Act, and we didn't pay much attention to what is probably equally important and that is the underlying causes, the reasons why the Association should ask to have the Employment Standards Act applied to them. For example, as the Minister could well advise me, and he doesn't need any advice from me on this point, the Payment of Wages Act, the Vacations With Pay Act, statutes of that kind, apply to the Civil Service of this province but the Employment Standards Act does not. And in fact the Employment Standards Act stipulates that if there's a labour-management situation being negotiated and if the parties to that negotiation should agree, for example, to discrepancies in terms of hours of work or rates of pay, and inconsistencies in hours of work and rates of pay, where the standards of the province are concerned, that even though the two parties should agree that the work force in a given situation should work longer hours than is prescribed under the Act, or should work for less pay than is prescribed under the Minimum Wage Statute of the province, that the parties cannot do that, that the Employment Standards Act shall prevail. And so it could never be argued that the government and its employees may have come to an agreement that in certain situations civil servants will work beyond the minimum limit and will work for less than the minimum wage. I don't know that they do, but it could never be argued that they should, even if the two parties agreed to it, because the Employment Standards Act stipulates - and the Minister agrees with me - that can not be done, that is not permissible, that the hours prescribed, the hours of work prescribed in the Act shall apply and that the wages and minimum wages prescribed by statute shall apply, and there shall be no circumvention of those. I would appreciate the Minister's comments as to whether or not there are situations in which Civil Servants of this province are worked more than the hours stipulated in their agreement, and are paid less than the wages stipulated in their agreement.

Well I would be - the Minister is shaking his head in the negative - I would hope that he will elaborate on this point as soon as I sit down, or at some point during consideration of these Estimates. But I ask him then why does the public service of this province, why does the Manitoba Government Employees Association come before the Industrial Relations Committee as it did on the second, I believe it was, of this month,

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(MR. SHERMAN cont'd) . . . . the 2nd of March, and ask that they be brought under the Employment Standards Act. There must be some reason for their wanting to be brought under the Employment Standards Act; it must be that they are not getting the fair and right and equitable kind of treatment that they think they are entitled to, or there must be a misunderstanding as to what they are entitled to under their agreement with the government and what they read into the Employment Standards Act itself.

In any event the situation points to discomfort and unhappiness on the part of the public service and so I revert to the point that the Minister and I have been arguing for the last little while, the point of morale. How can morale be good in the Public Service, how can morale be as good as this Minister claims it is, if this kind of approach, this kind of appeal, this kind of entreaty is being put forward. I believe the Minister faces a challenge here to demonstrate to us in this Legislature, and through all of us to the people of this province, that there isn't a morale problem in the public service of this province. I believe the facts indicate there is a morale problem. If he says there isn't, I am prepared to listen but I want him to explain to me how he comes to that conclusion, and I want him to face the fact that the Civil Service has made this kind of entreaty to which I have referred, and acknowledge the fact that they've engaged in the kind of activity over the past year that would certainly lead one to the conclusion that they are unhappy, or growing unhappy.

Now, Sir, let me touch on one other point in the three minutes which I believe I have remaining, and that is the size of the Civil Service and the increase in the size of the Civil Service during the past 12 months. I said this afternoon, and I reiterate, that I am not standing before this committee and insisting that there has been wildly extravagant increases in the size of the Civil Service, there have not, and I say that for the record. In the last 12 months the Civil Service has increased in size approximately 6 percent; that is not wildly extravagant. But I ask the Minister this, Sir: why has the Civil Service increased in size at all? And I make a confession that a few years ago, and I've made many political errors in my life and I'll probably make more, but I did a few years ago say that I thought the size of the Civil Service should be reduced, and I have learned that that is not particularly practical, it might not even be sensible, but I have, in exploring the kind of argument that I was putting forward at that time, I have come to a conclusion which I think is practical and is sensible and is applicable, and that is, that in periods of economic restraint, such as we are apparently involved in at the present time, and in periods of inflation and high government expenditure, that surely it is practical to try to hold the size of the public service where it is and not allow it to continue to keep growing on itself. No one is asking for cutbacks at this stage; no one is suggesting that the jobs that are being done by Civil Servants, every last one of them in this province, are not individually essential, but I fail to see, Sir, why the size of the public bureaucracy, necessary as it may be, has to be continually increased even at what would normally be described as a reasonable level of 6 percent. So I think that this is a question that is legitimate on these Estimates and that I would urge the Minister to respond to: Why did the size increase by 6 percent? Why did the numbers go up by that amount? Why is that necessary? And, are we looking at an additional 5 or 6 or 7 percent increase in the Minister's view in the next 12 months? Is this an endemic situation, from which there is no escape? Because if so, then we will never get the handle on government spending that we are attempting to do, and by definition then we will never get the control on the economy, the control on the runaway inflationary aspects of the economy that we all, in all parties, so urgently seek at the present time.

I would like to have the Minister's views on that, Mr. Chairman, and I submit there will be other things that I would like to talk to the Minister about in consideration of these Estimates, and I believe colleagues of mine have additional points they would like to inject into the debate too. But these are the two basic challenges that I put the Minister at this time: Why is the Civil Service either in confrontation, or near confrontation with this government, if the morale is as great as the Minister says it is? Why is the Civil Service still increasing in size every year, when we are trying to reduce public spending in the province and in the country?

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MR. CHAIRMAN: Resolution 29(a). The Honourable Minister of Labour.

MR. PAULLEY: I don't know, Mr. Chairman, whether it would be appropriate for me without some other member of the committee stating their case, or giving us the benefit of their contribution, but it did appear to me as though no one else wished to speak immediately, so I think that it's only proper for me, as the Minister responsible for the Civil Service, to at least take recognition of the contribution that the Honourable Member for Fort Garry has just made.--(Interjection)--Pardon? No, I won't take 30 minutes because after all I could dismiss most of what he said in 30 seconds, but I think that I should be more courteous to your colleague, other than just take 30 seconds.

I do want to compliment the Honourable Member for Fort Garry - I don't know whether the Honourable Member for Minnedosa will accept this or not as a courtesy on my part, but I am going to do so in any case. I do want to say to my honourable friend who has just spoken, I appreciate his attitude toward the remarks that I made during my introduction on the Estimates on this particular department of government. And I think he recognized in his rebuttal the validity of many of the things that I said in my three-quarter of an hour introduction as far as these Estimates are concerned. And that is a concern for the morale of the Civil Servants, and I don't think that there was any suggestion on my part that I think that the morale is of such a nature that there isn't cause for complaint by the Civil Service. The major thrust, if there indeed was a thrust in my remarks, was not directed toward a situation of disappointment in the Civil Service which I respect and I accept, but the major thrust that I was trying to make before the dinner hour, was the attitude that is taken by the Leader of the Conservative Party who is not a member of this House.

Now the Honourable Member for Fort Garry has indicated by his remarks a sort of a difference of opinion or a difference of a type of approach of his red-headed leader, who is outside of the House, of course, as we all so well know, than the Member for Fort Garry who is the spokesman inside of the House in the approach as to the situation prevailing as far as morale is concerned with the civil servants. Mr. Chairman, I want to say to my honourable friend the Member for Fort Garry, I respect his approach; I accept his approach, because I think it is fair, I think that it is reasonable, and based on some semblance of intelligence. Now my thrust before we adjourned for the dinner hour was different insofar as the approach of the Leader of the Conservative Party, albeit the fact that he did have the honour of sitting, I believe, where my colleague the Minister of Urban Affairs now sits, as the Attorney-General of the Province of Manitoba. There is the difference.

What I was trying to establish prior to the dinner hour, that on one hand we had an individual outside of the House that was attempting a purely political approach, but today or tonight we have the approach of a member inside of the House, the Honourable Member for Fort Garry, who has been far more reasonable and far more inquisitive as to the status of the Civil Service. I want to say to my honourable friend I appreciate that very very much, and I am sure that the members of the Civil Service appreciate it also.

I'm not saying that there isn't some areas of differences between the Civil Service, the present Minister, and this administration, there is. But I think my honourable friend would also give me the respect to say that that is more open today than it ever has been over the last number of years.

My honourable friend asked, what is the status of negotiations at the present time? My honourable friend and members of the Assembly are well aware of course, that a collective agreement, that was arrived at a year ago - and I frankly agree with my honourable friend the Member for Fort Garry, that a collective agreement was arrived at after proper negotiations, that there were areas of concern and conflict during those deliberations before a collective agreement was arrived at, but the proof of the pudding is that a collective agreement was arrived at. I had my own personal differences about one sector of negotiations, which really weren't the negotiations between the Manitoba Government Employees Association, as such, and the government, but rather between the Manitoba Medical Association and a specific group of employees of the

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(MR. PAULLEY cont'd) . . . . government, that's where I had the difference. But after negotiations, after session after session at the bargaining table with the Manitoba Government Employees Association, a collective agreement was arrived at. I'm sure that my honourable friend would recognize that.

So he asks me, what is the situation at the present time? The situation at the present time is simply this: That while the Industrial Relations Committee, to which my honourable friend referred to, was having its hearings, my colleagues, who are members of the Joint Council for the Province of Manitoba, which meets regularly, or more or less regularly, with the representatives of the Manitoba Government Employees Association, were receiving their requests or demands, call them what you will, as to the terms and conditions of changes that they wanted for a new collective agreement. That was about a week ago. I think I could say that just about a week ago. And at that time after the presentation of the requests - and I'd prefer to call them requests - for a revision of wages, a revision of working conditions, it was agreed that we would have a short period of assessment of those requests, which I believe will end somewhere about next Tuesday, at which time we will get into actual negotiations at the bargaining table. The Association will then, of course, attempt to justify their requests. The bargaining group on behalf of the government, which of course is the reflection of the taxpayer of Manitoba, will be making counter proposals; and we'll go into real meaningful bargaining at that time.

I don't think I can say anything more to my honourable friend in answer to that portion of his contribution, than that the status of the negotiations - we have received the requests from the Association; it was agreed that we would have an opportunity, the bargaining team would have an opportunity of a week or ten days to make an assessment of those requests, and proper bargaining will carry on from then.

Then my honourable friend, the member referred to The Employment Standards Act. He's perfectly correct that at the present time The Employment Standards Act does not apply to the Crown. There are reasons for this, and they may be historic and they may be acceptable to my honourable friend, and they may not, but primarily it does not deal with the question of wages, but questions of the application of The Employment Standards Act insofar as other aspects are concerned, for instance, and by way of illustration, a payment for overtime input. Under The Employment Standards Act an employee is entitled to time and a half for overtime after a certain number of hours - 40 hours. The historic relationship in our Crown agencies and in the Civil Service is time off in lieu of time and a half for overtime pay, and there's a few other points contained in The Employment Standards Act that historically have never been applied to the Civil Service, and in many instances to our Crown corporations. Here is an area, and I suggest in all sincerity it's an area that we've got to take a look at, but there's not really any desire to circumvent the basic principle of The Employment Standards Act.

And of course minimum wages are a component of The Employment Standards Act, and I frankly admit that in some instances previously some of the wages that were paid to the civil servants in the Province of Manitoba were borderline with minimum wages. There were a number of occasions where we had to adjust the wage rates paid to civil servants because this government agreed to increases in the minimum wages, but the adjustments were made immediately. In that I want to say to my honourable friend, I don't think that there is any wage rate presently paid to our civil servants that even is borderline with that of the minimum wages in the Province of Manitoba.

But I cannot reject, and I do not reject, Mr. Chairman, the validity of the point raised by the Honourable the Member for Fort Garry when he says that there was a request made before the Industrial Relations Committee by the President of the Manitoba Government Employees Association for coverage under The Employment Standards Act. I do want to assure all, Mr. Chairman, that this is under consideration, and whether or not an amendment will be made in The Employment Standards Act to cover all the Crown agencies has not yet been decided upon.

My honourable friend mentioned about the increase in the Civil Service, and I appreciate his approach to this. I think it was fair and reasonable.--(Interjection)--Well, that's fine. That's fine. My honourable friend from Lakeside who is so wont to interject

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(MR. PAULLEY cont'd) . . . . when someone is talking sanely, which is divorced from his normal approach - my point this afternoon, or my point now is - and I'm glad that he's here right now within listening distance - was the difference in the approach of the Honourable the Member for Fort Garry than the approach of his red-headed leader in absentia, but in his presence now, to the growth of the Civil Service. My honourable friend the Member for Fort Garry was reasonable this evening; he was logical this evening, and he recognized the facts of life insofar as increases in the Civil Service. His leader did not do that in his nonsensical utterances to the public over the idiot box, and public statements. His leader from time to time criticized--(Interjection)--No, he wasn't back . . . --(Interjection)--No, I want to say, Mr. Chairman, to the Honourable Member for Lakeside, the Honourable Member for Fort Garry was not backsliding at all, he was realistic, far more realistic than the former Attorney-General of the Province of Manitoba ever was in any of his contributions either inside or outside of this House.

But apart from that, but apart from that I want to say I really appreciated the approach of the Honourable the Member for Fort Garry when he was talking about, if I understood him correctly and I'm sure he will correct me if I'm wrong, when he recognized the need or the acceptance, let us put it either way, of an increase of five or six percent in the Civil Service due to increased activity of government or for some other reason. I appreciated that very much.

But I do want to say to my honourable friend, the Member for Fort Garry, how can he reconcile this with the attitude and the approach that has been taken thus far this session by the Internal Leader of the Conservative Party, namely, the Honourable the Member for Riel when he was highly critical of the Department of Education the other day because it appeared as though a certain number of school inspectors were going to be either dismissed or laid off within the public service because of a change in methodology of operation? Now darn it all, Mr. Chairman, you can't have it both ways. And I want to say, I want to say that the government and myself as Minister for Civil Service, are very very cognizant of the fact that we're going to have to make adjustments from time to time. It is our desire as a good employer not to lay people off and put them out to pasture or out on the street, and there is an ongoing process within government, within the Civil Service to do whatever we can when programs change to see that the members of the Civil Service who have made, in some cases many many years of valuable contributions to the service of the citizens of Manitoba, yes, and the departments too, that they are not prejudiced against because of technological changes, because of changes of approach. And it is true that there may be changes in the type of work that will be performed by school inspectors. As a matter of fact I'll just inform my honourable friends, the members of this committee, that it is the intention of the Department of Labour in its Fire Commissioner's office to expand by the recruitment of one or two additional fire inspectors. Now rather than going outside of the Civil Service to attract people into that particular area, the Minister of Labour, with the approval of his colleagues in Cabinet, has agreed that there is no reason at all why School Inspectors may not in a relatively short period of time be trained to perform the function of fire inspectors. And yet, Mr. Chairman, the other day the internal leader as against the external leader, was criticizing, if I understood him correctly, the fact that there may be displacement or lay-off of a number of present civil servants.

Now I ask my honourable friend from Fort Garry, who has been very reasonable tonight and I appreciate that, is that not a logical approach for an employer to take? On one hand we have the External Leader of the Tory Party clamouring and chirping and raving - as I used to listen to him years ago - because of the expansion of the Civil Service; on the other hand we have the Internal Leader of the Conservative Party criticizing us because there may be some reductions in certain areas of the Civil Service. Now I know, I know that this Minister who is now on his feet, or any representative of government, can't win both. We're damned if we do and we're damned if we don't. But I do want to say, we accept our responsibility and to quote, as I did not too long ago, the words of the former Attorney-General of this province: "It's nice to have the privilege and the opportunity of raising hell outside of this Chamber when you haven't got the

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(MR. PAULLEY cont'd) . . . . responsibility of the conduct of the affairs of the Province of Manitoba."

And that was my forward thrust and I'm glad that I can stand in this House, and I'm not asking for immunity as a Member of this House from what I'm saying, I'm glad, and I'm sure that he is listening, to be able to say what I'm saying in the presence of the present Leader of the Conservative Party who has the luxury of being able to sit in the ivory tower without any responsibility at all.

Now my--(Interjection)--No. I'm being overly affectionate, I'm being overly affectionate to my redheaded friend, and were he seated opposite to me and had the opportunity of rebuttal, I doubt if I--(Interjection)--Well he'll only . . . Mr. Chairman, he'll only have it, he will only have it, Mr. Chairman, if one of his colleagues would have the intestinal fortitude to resign their seat in order to make provision for him to attempt a return to this House, and I would suggest that if that were done, if that were done the people of any of the constituencies that the members would resign from, would have an opportunity of making an assessment on my honourable redheaded friend. And I want to say, I want to say this, and I make a pledge on behalf of the people of Manitoba, I would do my utmost to lay before the people of that particular constituency, no matter what it is, that they would be committing a grave error on behalf of the people if they returned him to this office. And I say that in all due affection to my honourable friend who is a listener here tonight because I like the redheaded son-of-a-gun as a personal individual. --(Interjection)--Well I tell you what I will do to my honourable friend if he will toss a coin with me as to whether it's his seat or my seat that will become vacant to give the absentee redheaded leader an opportunity of running, I'll take the toss of the coin, and I would challenge him to run in the City of Transcona.

But apart from that, Mr. Chairman, I want to get back to my honourable friend the Member for Fort Garry and say to him how much I appreciate his real reasonable approach that he took tonight in this House when he was replying to my opening remarks on the Civil Service. I say to my honourable friend this government has committed itself to a period of restraint because of the inflationary situation with which we are confronted. My friend, my leader has indicated this on many occasions. I think, Mr. Chairman, the Estimates of the Department, of all of the departments, reflect that approach, and it is an approach that has been taken despite the inclinations of many. Yes, in the Civil Service Commission, in the area of the Civil Service, we are going to do our utmost to use restraint, and in using restraint we want to use proper judgment so that the employees of this Assembly of the Government of Manitoba have the assurance, as indeed I believe that they have, that they have at the present time a good employer, the Government of the Province of Manitoba who is concerned and we give to our Civil Service, as I said before the dinner hour, the right and the opportunity to be heard, something that was not the case when we had a Conservative Government in the Province of Manitoba, with the exception of one or two outstanding examples of people of goodwill, and to close my present remarks I refer to the late and Honourable Maitland Steinkopf who was, figuratively speaking, kicked out of the ranks of the Conservative Party because he dared to express opinions for the well-being of the civil servants of Manitoba, and indeed for the taxpayers. And I'm sure that my honourable friend from Lakeside . . .

MR. ENNS: I liked you better when you were my enemy.

MR. PAULLEY: (Right) . . . will recognize what I say and he will recall, he will recall the day that I stood up from my place where the Honourable Member for Birtle-Russell is now and Maitland Steinkopf stood up, Mr. Chairman, and said that I am resigning, I'm leaving the House, and I said that it was a black day for Manitoba, from that seat there, because that man, that man--(Interjection)--had a principle . . . Pardon?

A MEMBER: But like MacArthur he came back.

MR. PAULLEY: Yes, and then he was stabbed, after he did come back, by the Conservative Party of Manitoba. But apart from that - that was later history. But apart from that it was Maitland Steinkopf who gave the first semblance of any recognition of the rights of the civil servants in Manitoba to negotiate and bargain, and I will always respect him and I can visualize in my mind's eye his great contribution, and that was scuttled

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(MR. PAULLEY cont'd) . . . . afterwards by the government of the day and that's why they're in opposition today.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Well, Mr. Chairman, I don't know what I did wrong, I came into this House at eight o'clock and I thought, I thought that I delivered a hell-fire, fire-balling, fire and brimstone speech demanding of the Minister that he account for two particular issues that I posed to him with respect to the Civil Service. In response I get a docile sort of conciliatory approach as though he is injecting himself into a dispute as a conciliation officer and, Mr. Chairman - I've got to say it - disarms me. It really . . . I don't know what he's trying to do to me in front of my colleagues in the caucus but he is really putting me at a disadvantage because those who weren't in here at eight o'clock think that I got up and was kind and nice and pleasant to the Minister, and I want to say that I had no intention of being so, Mr. Chairman. If it came across that way, I'll start all over again. Even when I'm trying I can't help but be a nice guy, that's the problem. I was trying to tell the Minister that there were two crucial issues that he was ducking, refusing to face, and was challenged to answer to this side and to the people of this province. He's come back with a new technique designed to politically undress me, and I must say that it's going to take a few minutes to get back on track here, Mr. Chairman. Although he did, towards the close of his remarks, he did lead us back to where we started this afternoon and that was the consideration of the Estimates of the Progressive Conservative Party. And we finished a few minutes ago once again on that note as the Minister addressed himself to some of our family problems, long since solved, long since solved, long since resolved in a diplomatic and friendly way.

But I want to say, Mr. Chairman, that I have to take strong and violent exception to the remarks of the Minister directed towards my leader. I think that the Minister is taking unfair advantage of a combatant who cannot answer him back in this arena at the present time. And I challenge the Minister to confront my leader publically, if not in this forum until it's possible for my leader to sit back in this forum again, then in some other public forum and say to him, to his face, in front of the public of Manitoba what he's saying with immunity here in this Chamber.

I believe, Mr. Chairman, that this Minister is running scared of the new Leader of the Progressive Conservative Party, that's why he's taking the attitude that he's taking. He's firing powder buckshots at him from a position of protection at the present time. He knows that my leader can't stand up and hit back at this moment--(Interjection)--He could do it on television but it's not the same thing as a face to face confrontation, and the Minister knows that. And perhaps we can arrange a face to face confrontation then on the platform or on television, because that would be a far fairer test, and there we would see, there we would see the political abilities and talents of my leader at work against the kinds of petty obstructionisms and criticisms that the Minister is trying to put in his path.

So I have to say, Mr. Chairman, that notwithstanding the kind remarks of the Minister, I do rise to take exception to those remarks directed towards my leader, which I think are unfair, and to say the least untrue, and I think really unworthy of the Minister considering the fact that my leader cannot engage in this debate at the present time.

Now let me revert to one or two things having to do with the Estimates that we're considering, and the remarks just made by the Minister with respect to the Civil Service, Mr. Chairman. I would like to explore just a little further with him the comments that he made with respect to wages paid to civil servants previously and perhaps some difficulty in meeting the requirements of fairness and equity where civil servants' wages are concerned. He said that some of the wages paid to civil servants were previously borderline with the minimum wage, and I ask the Minister whether there are situations and conditions at the present time where civil servants of this province are being paid wages borderline with the minimum wage, or whether there are situations where civil servants in this province are being obligated to work overtime at less than overtime rates of pay. And if so, why are those conditions prevailing, and what does the Minister intend to do about it? I would like to know from the Minister what is happening with respect to civil servants' views on their grievance procedures and the difficulties that they apparently



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(MR. SHERMAN cont'd) . . . . seem to feel they have - and I think they make a valid case at any rate - the difficulties they seem to have with the grievance procedure, and their argument that they really don't get an impartial hearing on grievances because they are dealing with the agency, the body that dealt with their appointments or their transfers or their promotions in the first place.

So, I think that we in speaking for the civil servants of the province from the opposition point of view at this juncture, can rightfully ask the Minister for his attention to that question. Is the question of grievances and grievance treatment in the Civil Service being addressed by this Minister?

I would also like to take one minute to place a thought or two on the record that I think should be on the record in this debate, Mr. Chairman, because I think it points to a condition prevailing in the mentality of government in this province and in this country today, largely due to the fact that there is a New Democratic government in office in Manitoba and a Liberal government in office in Ottawa and the two, the two parties, the two philosophies in my view share the same approach to the public service and to public spending and to the size of the public work force, and the cost of maintaining a public work force, and this view is in direct conflict with the approach that the Progressive Conservative Party takes towards a healthy economy and towards a healthy public service, whether it be provincial or federal. I want to commit and commend for the Minister's attention two or three paragraphs that say perhaps more eloquently than any of us could say at this juncture, Mr. Chairman, what it is that is really wrong with the trend of the country and the province today where the size of the public service and the cost of the public service is concerned. Now these are comments that are contained in a book that is a public document and available to anybody in this Chamber. It was published by the C.D. Howe Research Institute; it is called, "Policy Review and Outlook 1976 Challenges the Complacency" by Judith Maxwell. Let me commend the attention of the Honourable Member for Thompson, who was commenting at this juncture, and to the Minister in particular, this approach, and this argument, Mr. Chairman. Judith Maxwell writes on Page 33 of this publication, of this book in a chapter entitled, "Unwinding Inflation and Recession" and I quote:

"More than 40 percent of the workers who went to the bargaining table in 1975," and she is talking here federally, "were employed directly by governments in the Civil Service, or were employed by government financed agencies, such as hospitals, school boards, public transit commissions, and the like. Ten years earlier, these workers had neither the right to bargain collectively, nor the right to strike. These rights were awarded to the federal public service in 1967 when the government passed the Public Service Staff Relations Act; subsequently most of the provinces passed similar legislation. The result was a major change in the institutional arrangements governing public sector wages that has had sweeping repercussions for labour markets in Canada."

She goes on--(Interjection)--I will make it brief, but I think these are telling points that should be on the record, and I have already admitted that she says it more eloquently than I and I hope you will bear with me for two more paragraphs. Going back to Miss Maxwell:

"Canada is one of the few countries in the world to extend such broad rights to its public service employees. Perhaps the reason that other countries have refrained from doing this is that there are significant differences between the normal market relationships between employers and employees in the private sector and in the public sector. The public service worker has far more job security; the employer is not subject to market discipline because governments do not sell their services, and thus do not worry about having to pay wages that will either make them uncompetitive or unprofitable.

"Finally, a public service strike generally involves a third party, the public, and does so to a far greater degree than an industrial strike; while the public is not a direct participant, it normally bears the cost when services are interrupted, and it can place enormous political pressures on the government to restore the service no matter what the cost. In other cases, such as Olympic construction, the cost of delay is so high that governments feel compelled to pay anything to get the workers back on the job. In this

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(MR. SHERMAN cont'd) . . . . general framework there is every pressure on the employer to accede to wage demands, while the employee suffers virtually no risk that an excessive wage settlement will lead to subsequent layoffs."

Mr. Chairman, that's the end of the quotation, but I think a valid one when we are talking about the public service of this or any other part of this country and when we are considering Estimates such as these, because I believe that the growth of the public service in this country, the freeing up of the negotiation process that permits the public service activities in certain spheres that they did not wish to have, and have in some cases not even asked for, have combined to create a condition that is crippling, not only to the province we live in, but the country we live in from an economic point of view, that it's creating a burden at the economy, the productivity level the general taxpayer cannot indefinitely support and sustain. That is why I raise the question about increases in the public service, and that is why I say it is incumbent upon this government and every government in the country to stop the expansion of the public service, to hold the public service at the level at which it now stands, and to let the process hopefully of attrition take over to a degree that in the next few years would result in some reduction of the size of that service if we are ever to successfully cope with the inflation problem that we have, and if we are ever to successfully restore the economy to some degree of real vigor and health.

I think those words are prophetic, and not only prophetic but I think unfortunately they are an accurate commentary on what has happened to date, and what appears to be continuing to happen in the whole area of federal and provincial government in this country. Until we face up to that by accepting the fact that the burden and the size of the service has become so great that the economy and the productivity level of the economy is not going to be able to continue at that expansion level much longer, we'll never get the problem solved. That is why I appeal to this Minister to look to the size of his service and see what can be done to hold the line, and that is why I say that holding it at a 6 percent increase is better than a 16 percent increase, and I give him credit for that, but I say a zero increase is better still, and I ask for that in 1976-77.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): Mr. Chairman, I just can't believe my ears. This afternoon we heard the Minister of Labour, he was like a firecracker; tonight it's like the quiet hour at the Sunday evening service. This afternoon he was like a tiger chasing a lion, and tonight he is a pussy-cat. Perhaps it is because the lion is watching him.

But I agree with my colleague, the Member from Fort Garry, that perhaps this government is scared, and the Minister of Labour, because he is the veteran of 28 years, is showing his colours early. He spent his whole introductory period today on attacking the new Leader of the Conservative Party; not telling us how good the Civil Service was, which he represents, or what they are accomplishing, whether they are holding down their increase in manpower, or whether they are justified in the increases in manpower. He went on the defence. Perhaps the Honourable Minister has spent too many years in the opposition and just isn't in the right position to be on the other side of the Speaker. He talked about his 28 years of experience, which I recognize. At times I often wonder as a freshman member if that is 1 years' experience multiplied by 28.

He talked so much about the Conservative Leader, the Progressive Conservative Leader talking about the low morale in the Civil Service, I'm sure that the Conservative Leader has his point of view, and I'm positive that the Minister of Labour has his point of view, but I know through my experience, I have talked to many many people that work for the Province of Manitoba, and I find that the morale, particularly in the Crown Corporations is particularly low: The Hydro, the Telephones, the old Crown corporations - I won't even get into Autopac. I imagine that that is a Crown corporation now that their Estimates don't come before the House. But in the days gone by people that worked for the Telephones and the Hydro had a great deal of pride, perhaps a little more than the normal civil servant; they were proud to be in a productive end of the Civil Service, an end that you could have a yardstick of the profit and the cost. And I find in my travels

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(MR. STEEN cont'd) . . . . that the morale is not as high in those two particular utilities as it should be. I do believe that the morale has been suffering for one reason, and one reason only, political influence in the Civil Service, for no other reason. The new yardstick for promotion, political influence.

The Minister this afternoon was talking about the fact that there is no political influence, I beg to disagree with him. I believe there is greater political influence today than ever, and I admit that there perhaps was political influence during the Conservative Government days and the former Liberal Government days, but not to the extent that we have it today, and there will be political influence perhaps in the days in the future when the Conservatives get back into office.

The Minister talked about appointments; I agree with him, the Ministers of the Crown are permitted to make appointments, it is fully within their rights. I don't think anybody on this side ever quarrels with the appointments they make. You are entitled to make any appointment you wish. We sometimes quarrel about the quality of individual you put into the position, but the right is there, you have the right to put any cotton-picking person you wish to put into those positions, and in some cases you can make pretty elaborate pension plans for them. I only have to look at my friend from Riel and think of Mr. Cass-Beggs. Every time I see his face, the name Cass-Beggs is in neon lights on it. --(Interjection)-- Yeah. But for 26 months' work that's not bad, that's not bad. And the Member for Ste. Rose doesn't like the pension plan that the university paid the retiring president either, and I don't. But that is an indirect thing; the university is not under the Provincial Government's control, it is sort of an indirect thing. You only pay about 95 percent of their budget, but it is indirect, we can call it indirect. --(Interjection)-- Well, it is a very liberal pension, if I can use that word non-politically.

But the most interesting aspect of the Minister of Labour's whole delivery this afternoon was the fact that he was . . . interrupted from time to time by the opposition members on two subjects. One is his annual resignation. I'm a new member here, I'm waiting for that, and I'm looking forward to it, Sir, to that annual speech of yours when you resign. I hope somebody in this House some day has enough guts to accept it. The other thing is, and it just puzzles me, but this is why, and I said it to your colleague the Minister of Urban Affairs, he said with the new rules that we have in the House with the Committee Room going with Public Works debate or Estimates and Labour being in here, and I said, "Oh I'll stay with Russ Poulley - Oops, my apology - where the Minister of Labour is because I find him an interesting individual. My apology, Sir, for using a name --(Interjection)-- I said that I will always stay where the Minister of Labour is, providing it is the current Minister, because I find him most interesting, enthusiastic, and entertaining. He keeps talking about this sanity test that he has passed. Would you please some day let me see the document? I would like to see it. I have never heard of anybody passing a sanity test in that light, and there is 23 members on our side that I would like to see pass that test some day, and I'd like us to go through the same washing machine that you obviously went through. It would be interesting.

But my comments, Mr. Chairman, I wanted them to be brief, and I wanted to say to the Minister that I enjoyed his brief remarks. I thought he was trying to run out the clock this afternoon but I think his whole attack was against the Conservative Leader, who wasn't in the House at that time, but did manage to come into the House tonight after I'm sure he was informed that somebody was after his hide; and the second thing, the second point is, the Minister tried to convey the message that morale in the Civil Service was as high as it has ever been, and I disagree with the Minister on that count.

MR. CHAIRMAN: Resolution 29(a). The Honourable Member for Fort Garry.

MR. SHERMAN: One brief addendum to the debate to this point, Mr. Chairman. I don't think it should be left on the record that my colleague, the Member for Riel was taking issue with, as the Minister suggested he was, with any attempts at economizing the public service when he asked the questions he asked the other day about the school inspectors who allegedly had been relieved of their posts or transferred into other jobs. I am aware that the Member for Riel can speak for himself, but I am not sure whether he was in the Chamber when the Minister's remarks were made, and I don't want that allegation to remain on the record unchallenged or uncorrected because the Minister is dead wrong in suggesting that either the Member for Riel or I are adopting positions of inconsistency when it comes to economizing in the public service. The Member for Riel did not say, did not suggest, and did not imply that

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(MR. SHERMAN cont'd) . . . . that Minister and this government should not be holding the lid on the size of the Civil Service. Where the Member Riel was making his point, and making his thrust, was in the area of morality, and in the area of the manner in which those school inspectors were being relieved of their posts, and being drummed out of the service; it was an ethical question, a moral question, considerations that should be uppermost in the minds of this Minister and this government, indeed of any government. It had nothing to do with the size of the service or the establishment, what it had to do with was the morality of this government kicking people out of their jobs without cause.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Maybe, Mr. Chairman, on that very very happy note we should move on into the Estimates. But there was one thing that the Honourable Member for Fort Garry did say that was factual, that was truthful, was that the fact that the Honourable Member for Riel could answer for himself. We have in this House, and I give the Conservative Party credit for it, after a long fight with the previous Liberal administration, that the Conservatives aided and abetted by the Social Credit representatives and the old CCF representatives, did cause the eventual production of Hansard and the remarks of my honourable friend the Member for Riel will be recorded in Hansard. I don't think that I misinterpreted, after having read Hansard, the forward thrust of the Honourable the House Leader of the Conservative Party when he did indicate the matter of the curtailment or reduction of inspectors within the Department of Education. He is correct. Even my honourable friend the Member for Fort Garry, in a moment of truth, did indicate that this government recognizes the fact of the contribution made by those people whose jobs may have changed in recent years, in the desire and endeavour, as I indicated earlier, to see that those people are not thrust aside but try to have them re-adjusted within the Civil Service into more meaningful engagement employment - if I can use that in the broad sense.

I do want to say to my honourable friend, the newcomer from Crescentwood, I appreciate his remarks. I do realize that there have been occasions in the past when I have suggested that it's time for me to call it a day and to resign or to not run again. I appreciate that. I'm sure that if my honourable friend the member, received the confidence of his constituency over the years that I have - I'm not bragging about that - I can say since 1945 I've never been rejected by my constituents or my voters in the City of Transcona. Maybe their confidence has been misplaced. Maybe my confidence in this form of democracy that we have in Manitoba has been such that I feel at times the desire to get the hell out of it and suggested a resignation. Maybe my honourable friend - and I like the young fellow. I like the young fellow, he's not a bad guy you know - I would suggest that maybe - I don't know what his age is today, but add another 31 or 32 years on to his age, maybe at that particular time he, too, might question as to whether it may be advisable for a consideration of resignation, if he has the confidence of his constituency for the length of time that I've had from mine. But I do appreciate his contribution into this debate and I respect that involvement from him.

I do, Mr. Chairman, want to say how much I appreciate the Honourable the Member for Fort Garry indicating a novel or a book that I should read by one, I believe it's Miss Maxwell. Well I'm not quite sure whether it's Ms., Miss or Mrs. You get confused these days I know, as indeed my honourable friend does, getting confused from time to time. But we'll leave that aside because we're on a relatively genial atmosphere at the present time.

But I do want to say to my honourable friend though, the quotations that he made from that book in respect of the Civil Service is typical of the approach of his leader and the Conservative Party, and that is where I have difference with a Miss, Ms. or Mrs. Maxwell, and my own philosophy as to the conduct and the involvement of the Civil Service. So I want to say to my honourable friend - I know he won't send me over an autographed copy of the book or get the authoress to send over, get me an autographed version - but I want to assure him that if ever I needed documentation of the stance of the Conservative Party in respect and in relation to the Civil Service, he

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(MR. PAULLEY cont'd) . . . . gave it to me tonight by reference to that book. It will be my intention, Mr. Chairman, to purchase, if they are available and not out of print, because I'm sure with the right-wing thrust of the Conservatives across Canada, that that book will be gobbled up. I hope that I will be able to obtain a copy because it reinforces the argument that I have tried to introduce into the debates in this House as to the Tory approach to the Civil Service of Canada and Canada's provinces. So I want to say thank you to my dear friend from Fort Garry for giving me another documentary that will enforce my stance as to the Tory approach in regard to the Civil Service.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Chairman, I thank the Honourable Minister for his comments and congratulate him on the way he's made the presentation of his Estimates. But I would like again to impress upon the Honourable Minister that I have been in the Legislature now some 10 years and I have never seen some of the . . . of the Civil Service more depressed and unhappy than they are at the present day. As an MIA or an ordinary citizen you don't have to walk very far to come across these people, and they're prepared to talk today, that they're very unhappy with the way they're being treated. Whether it's because the government is trying to politicize the Civil Service or whether it's because of wages, I don't know, but I recognize unhappiness that I've never seen in my years, and I hope the Honourable Minister will look into it and find if, in fact, that it is something that can be solved by him or his staff. Because there are concerns there and they're being voiced to people like we, who sit in opposition benches, and in my years I've never seen it as bad as it is today.

May I ask the Honourable Minister in this Physical Fitness Program that we have in the Annual Report which is taking place at 1181 Portage Avenue, is this an ongoing thing that the civil servants now are going to have to commit themselves to physical exercises besides performing their normal duties, or is it part of the program that we saw the Minister of Education take off here on a bicycle in some unknown direction some while ago. --(Interjection)--

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: I'm glad that my honourable friend there . . . you know I have been chastised ever since the introduction of the Estimates this afternoon - haven't got down to real details of the Estimates, and of course it's my understanding of the present approach in considering Estimates that your advisory staff does not come down until after the introductory remarks. I take it by the question of my honourable friend that our interchange on Ministerial Statements and Introduction of the Estimates has now gone by. We're into the nitty gritty of the Estimates, and I would suggest then that the staff be permitted to take their place before me for detailed answering to the questions, and if in the --(Interjection)-- Was that okay? Okay. Then maybe --(Interjection)-- yes, okay. I won't overlook your question Wally.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: I'd just like to ask the Minister a question based on his response to the comments that I read into the record a few minutes ago, Mr. Chairman, and that is, would he not agree that Britain is a socialist society in a political sense, that Britain has at least a socialist oriented government; and would he not agree that in Britain, for example, wage settlements in the public sector are based on a strict set of guidelines, that they're not necessarily negotiable, but they're based on a strict set of guidelines that are staked out for and designed for comparison and comparability with the private sector?

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Well you're really getting into a different area on that. But I have no hesitation in saying that in Great Britain under a Socialist Government, that even a Socialist Government from time to time feels it's their duty and their obligation to impose upon the state some sort of controls or restraints.

One of the criticisms that has been directed toward this administration - and I'm sure with some dismay as far as my honourable friend from Fort Garry is concerned

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(MR. PAULLEY cont'd) . . . . - that one of the areas of criticism that we have undergone is because of the acceptance by my Premier insofar as the application of anti-inflation measures in the Dominion of Canada are concerned, that we have given our support to that general concept, and when we get into the Estimates of the Department of Labour I will be making references to our stance in respect of anti-inflation, much I would suggest to the dismay of some of the Conservatives.

But in Great Britain they found that that was necessary. I'm sure that my honourable friend would join me in saying that this nation, Great Britain, that historically has been one of the forerunners of the democratic concept of government is in the perilous state that it is at the present time and I would not, and I'm sure my honourable friend would not suggest for one moment, that that is only because of the fact that the present government in Great Britain is a Socialist government and that just recently the leader of that party, of the Labour Party of Great Britain, has felt in his wisdom or otherwise that he should withdraw as being the Prime Minister of this great democracy.

But it is a fact, and I join my honourable friend in saying that that Socialist government, as indeed other Socialist governments in the whole of the history of the world, has from time to time had to legislate or impose restraints or conditions on the people that they govern just the same as governments of other inclinations, Liberals, Conservatives and others have had to do. So I don't know whether I've answered my honourable friend precisely. But I do recognize the validity of his question.

I'm sure that my honourable friend would recognize that the previous administration in the United States of America was not a socialist administration, but they had to impose constraints and restraints on the people of that great democracy. By no stretch of the imagination can anyone conceive of the previous President of the United States, Nixon, as being a Socialist or even a right-wing supporter of a labour administration.

MR. SHERMAN: Yes, Mr. Chairman, I appreciate the Minister's answer and his comments, but there have been more Democratic Party administrations in the United States since 1932 than Republican administrations, Republican Party administrations, and would the Minister not admit that in the United States wages in the public sector are not negotiable; working conditions are negotiable; grievances are negotiable, but wages in the public sector are not negotiable and nobody could argue, nobody could argue, that in the United States political structure that the Democratic Party which has held the White House and control of Congress far longer than the Republican Party has in the last half century in the United States, has a very close working arrangement with the labour movement in the United States. The AFL, CIO, and the labour movement generally are disposed to support the Democratic Party as the Minister well knows, and yet in that country wages in the public service are not negotiable. In Britain as I've suggested, which has had a Socialist government for some time, intermittently, but certainly for a few recent years past, once again the wage levels in the public sector are laid down according, as I said, to strict guidelines which are drawn up on the basis of what good employers, so-called good employers are paying in the private sector. These are not negotiable considerations, and those are two nations where nobody could argue that the Socialist Labour movement oriented political line of thinking is not respected, because in both those countries it is respected and plays a very large part in contemporary administrations.

MR. CHAIRMAN: Order please. Order please. While it's very interesting to have a topic of discussion on the problems of the United States and the United Kingdom, that I think we should come back to Manitoba. We're dealing with the Civil Service in Manitoba.

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MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Chairman, I listened with some interest to the comment by the Minister regarding a comment that I had made - I don't think it was a comment, Sir, it was a series of questions I directed to the Minister of Education the other day. I'm certainly pleased to see that he took cognizance of the fact that those questions were asked, because certainly the actions that will come to light of the Minister of Education and that department and the government itself will be most revealing of the real callousness of this government with regards to senior employees. The callousness, Mr. Chairman, that has nothing to do with, as far as I know, with any political strife and so on of the people involved, but a callousness simply of inconsideration of senior people in government who have spent 20 years of their life building a career in government, devoting themselves to the service of Manitoba, and find that they are with the dash of one letter advised that their terminations are coming due and that they should be seeking other pastures at the ripe young age of 50 and 55 and with limited pension in the event that they didn't find that other alternative. But, Mr. Chairman, I think we'll get to that perhaps in more depth when we get to the Minister of Education's Estimates and we can look at it a little more closely.

As I say, I'm certainly glad to see that the Minister of Labour at least was sensitive to the fact that this was going on in the government and perhaps sensitive to the fact because the government was hauled up on the matter and wasn't able to proceed and get away with this callous approach and thanks to the intervention of people who do have some interest in employees, these people have now managed to salvage, or presumably are in a position, or they're likely to be able to salvage their career with the government.

Now, Mr. Chairman, the Minister tried to turn this around somewhat and say that there's a contradiction on the part of the opposition with regards to advocating the retention of people on one hand and the reduction or control of the growth of the Civil Service on the other hand. Mr. Chairman, there's no contradiction whatsoever and the Minister knows this full well. As was pointed out earlier in the deliberations of the session, the government has seen cause to raise the size of the Civil Service over the period of its tenure in government by 50 percent which is the addition of several thousand people over that period of time. You don't have to be too observant to ask the question: "Is the growth of the Civil Service going to be stemmed by the laying off of a handful of people, half a dozen or ten people, particularly senior people who have gained a great deal of respect in their role in government." Nobody is going to, with an ounce of thought and an ounce of consideration, make the suggestion or expect anyone else to believe that the government in fact is doing it because they want to control the growth of the Civil Service, with the lay-off of this small number of people and expect to control the growth in that manner.

Mr. Chairman, the number of people involved in that particular case were purely and simply laid off because of the very callous approach and inconsiderate approach that exposes the real character of this government. Mr. Chairman, the real contradiction of the fact is that this government took that action and only because they were hauled up short by the return action of people who were willing to speak on their behalf that they then thought they should take into consideration that these people deserve something better.

Well, Mr. Chairman, we don't have to go very far to see what this government's real approach is to the growth of government. When this government took power we could look across this House alone and see on the treasury benches perhaps 12 or 13, a dozen portfolios, a dozen ministers to operate the business of government. We can look across this Chamber now and we can see two full rows absolutely full with the exception of one seat, of Cabinet Ministers, a proliferation of the number of portfolios, 17 Cabinet Ministers, over half of the total number of the elected people on the government side, sitting on the treasury benches.

Mr. Chairman, if the Minister wants to suggest for one minute that they have an interest in controlling the growth of government, I suggest that he look immediately at the front benches, the treasury benches of the government, and start doing his culling right there. He might go a little further and look at the back benches and see what's

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(MR. CRAIK cont'd) . . . . happened since the government changed power in 1969. I don't know that there's one member on the government side in the back benches that hasn't also received an appointment as a legislative assistant or to some other created position, created by this government to take the members on its side of the House and to provide them with some extra indemnity. Mr. Chairman, it certainly didn't extend itself beyond the blue carpet over onto this side of the House and we certainly didn't ask for it. Mr. Chairman, this government can sit and look at this House when it wants to really look at the way it's handled the growth of government, filled up two full benches full of Cabinet Ministers, with the exception of the Member for Radisson that sits here, and its only one and single back bench has gone part way -by making sure that they all got extra indemnities too. So that's where it starts, Mr. Chairman, it starts with the government itself, the Cabinet and the elected members of this Assembly that are on that side of the House. That's their attitude towards a control, towards restraint in the growth of government and it doesn't speak very well for the government's efforts.

So, Mr. Chairman, when the Minister stands up and says that there's a contradiction because we have a concern on this side for ten senior people in government with 20 years of experience who have been indicated they're getting the axe and only didn't get the axe because there was representation on their behalf that stood up for them and the government then realized that it was going to look very foolish in making that move and withdrew it. Only then, Mr. Chairman, was that action prevented. So don't let's stand here and talk about any sort of methodical approach and concern for people in government because this government has only one concern and that's to look after the benches in this House on that side.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I think there is one trait, one characteristic of the honourable, the internal leader of the Tory Party that he is not deficient in, and that is self-praise. I don't think by any stretch of the imagination that he can be accused of not being a very modest individual. His utterances tonight indicate without a question of doubt how I love me for what I did but what I did not have to do. Because when that honourable gentleman - and isn't it nice in the parliamentary language that you refer to people as honourable gentlemen. I think if we were outside of the Chamber there may be some different attributes or different definitions. But the fact of the matter is, Mr. Chairman, that my honourable friend is so wrong when he suggests in respect of the Inspectors that it was only because of the intervention of members opposite . . .

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

MR. PAULLEY: Well then what in heaven's name did you say other than that because you did say that if it had not been for . . . You implied it then. Somebody said it and you said it the other day in Questions.

MR. CRAIK: On a point of order, Mr. Chairman.

MR. CHAIRMAN: Order please. The Honourable Leader of the Opposition on a point of order.

MR. CRAIK: Mr. Chairman, on a point of privilege. I did not say that it was the intervention of the opposition that brought light to this matter and caused the government to change its mind. It was the intervention of other parties on their behalf and specifically, Mr. Chairman, the MGEA. If the MGEA hadn't stepped in on behalf of these people they wouldn't even have their jobs.

MR. CHAIRMAN: The Minister of Labour.

MR. PAULLEY: I don't know what the point of order is. I only took literally what my very modest friend said. The MGEA did not have to intervene at all. We had agreed many months ago that there were areas, there were areas . . .

A MEMBER: Get your facts straight.

MR. PAULLEY: Will you take part in this debate if you have any knowledgeability of what you're talking about?

MR. CHAIRMAN: Order please.

MR. PAULLEY: I challenge you to take part in this debate on a factual basis.

MR. CHAIRMAN: Will the Honourable Minister direct his remarks to the Chair please.



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MR. PAULLEY: Yes, Mr. Chairman. May I suggest to the Honourable Member for Minnedosa that he take part in the debate instead of chirping from his seat.

MR. DAVID BLAKE (Minnedosa): Talk to your own Minister.

MR. PAULLEY: I don't have to talk to my Minister because I am one of the Ministers of this administration charged with the responsibility of the conduct of the affairs of the Government of Manitoba, something that my honourable friend from Minnedosa doesn't know what it means.

But apart from that I want to say, and I can say with equivocation that insofar as the allegation made in this House that there had to be a retraction by any letter or documentation in respect of the laying off of senior citizens or senior members of the Civil Service, referred to by the Leader of the Opposition, that that was erroneous, it was false. My honourable friend, and I'm surprised to hear such garble emanating from his lips as he spoke tonight when he talked of civil servants in the Province of Manitoba who have rendered 20 years of valuable service, figuratively speaking being kicked out, deprived of pension, deprived of the . . .

Does my honourable friend know of the changes that this government has made insofar as the pension approach to its civil servants? Does not my honourable friend on occasions at least in truthful, quiet reflection - and I'm sure, Mr. Chairman, that even he must have such moments because he could not continuously go on thinking as he spoke this evening, about the privileges of the Civil Service in respect of pensions. Does he not know that in respect of pensions to the civil servants of Manitoba that we have been to the forefront in the whole of the Dominion of Canada in fair treatment? --(Interjection)-- You're damned right we've been in there with both feet on behalf of our civil servants. Something that your administration never even considered. Morale, of course, it's only in the figment of imagination of those who would castigate the efforts of this government that they would even use the word low morale.

You know sometimes I get exorcised in this House, when I hear such statements as I heard a moment or two ago coming from the lips of an intelligent individual such - that's right he is. I only wish he would be consistently intelligent in his utterances in this House because it's a damn bunch of nonsense for he or anyone over there to attempt to make a case of ten or twenty or a hundred and ten and twenty civil servants that were figuratively speaking going to be kicked out of employment in this government after 20 years' service. It just can't happen in this government because we have an agreement with the Manitoba Government Employees Association. It's not necessary, it is not necessary for the involvement of the union who have a grave responsibility and do a pretty good job, to go to the Minister of Education, to the Minister of Urban Affairs, the Minister of Labour and plead on behalf of their employees who have been here for 20 years. It's a bunch of garbage, Mr. Chairman, utter garbage and I'll bet you, knowing that my honourable friend, the Member for Riel has got a conscience, that when he goes home tonight that he will think over what he said. Because he had his answer the other day from my colleague, the Minister of Education, and earlier in the debate on the Civil Service Estimates, in my Ministerial statement I referred, I referred to the fact that we are concerned with our civil servants and that such is not the case and will not happen.

So I say to my honourable friend, will he do this House, not me, but will he do this House the courtesy of reading in Hansard of a few days ago, the answers of my honourable friend and colleague, the Minister of Education. But maybe even better than that, will my honourable friend read what he said tonight and reflect upon that insofar as the treatment, pension-wise or otherwise, of the Civil Service in Manitoba. Of course there's some that are not enamoured with all that is going on with their employer, namely the Government of Manitoba. But heavens to Betsy, Mr. Chairman, in what industry, in what corporation or what enterprise where you have 13,000 or more employees, have you got complete satisfaction with 13,000 employees? I don't think it's ever happened before; I don't think that it's true today. But that doesn't necessarily mean that morale is low. So I say to my honourable friend, the Member for Riel, as far as benefits are concerned, pension-wise and otherwise, the civil servants of Manitoba have been treated fairly and equitably and there is no employee to my knowledge . . .

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MR. GRAHAM: Keep saying it.

MR. PAULLEY: Yes. You know, Mr. Chairman, my honourable friend says "Keep saying it, Russ," I have to keep saying it because you know, you know just as a hatchet sometimes attempts to knock down a tree with a 12-inch diameter, it has to keep hacking away until the tree does collapse, so I have to keep on saying it, Mr. Chairman, to try and penetrate the same type of structure of a tree, into the minds of my honourable friends opposite. It's not easy to penetrate an oak with a hatchet. It's not even easy to try and penetrate the minds of some of my friends opposite with logic and reasoning. But I am attempting it. I hope that one of these days I will be able to penetrate even the mind of my honourable friend from Birtle-Russell.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSON: Mr. Chairman, we have again been treated to a tirade on the part of the Minister of Labour although I frankly confess that on this occasion he --(Interjection)-- Yes, it was a quiet tirade, a bit of a rumble. But nonetheless the content, the quality of his remarks in response to legitimate questions and points that have been raised on this side of the House was no better than they were earlier today.

He made a great issue of the point that was raised about the employees in the Department of Education and then without giving any indication of the kind of answers that were given, and if my honourable friend the Minister of Labour would check those answers he'll find that when the question was raised in this House, there were no answers. That poses one of the problems that we face from time to time in this Chamber. You get Ministers who think it is their responsibility when they're in the government bench - and thank heaven they're not all like that because there are some that are not like that. There is one Minister sitting there that accepts his responsibility - and I'm referring to the Minister of Urban Affairs - who accepts his responsibility as a Minister and answers questions when they're posed to him, and he answers them calmly and he answers them even when they're provocative. He has a habit of turning aside the thrusts that are attempted on this side of the House and we have a heck of a time with him. He's one of the worst Ministers to deal with because he's so polite and so kind that you can't get mad at him. It might be a lesson for some of these other people to follow, and particularly the Minister of Education whose stock in trade is smart alec answers, who never provides any kind of a direct answer to a direct question. And the answers that he gave to the Leader of the Opposition the other day on the question that was posed were nothing but smart alec evasive answers, no answers at all. If once in a while the Minister of Education would provide this House with legitimate answers to legitimate questions then he would not have to stand up in his place and accuse us of not having the facts. What we're asking for is the facts. Just once in a while that Minister should give us some facts. Maybe, Sir, he doesn't know them himself. That may be the reason why we don't get them from him, because the Minister does not know what is going on in his own department. The Deputy Minister I presume pulls all the puppet strings including those attached to the Minister of Education and all he can do is answer the questions that are given to him as answers. He does not know them himself. That's his problem. The puppeteer hasn't got the strings that would reach down in the Chamber and so therefore he is at difficulty every time he is posed a question in this Chamber.

But, Sir, I want to deal with another aspect of the Civil Service. I know what the Minister of Labour is going to do. He's going to jump up on his feet and there's going to be another tirade about the ignorance of members on this side of the House not knowing anything. But I want to raise what I consider to be a perfectly legitimate point and I want the Minister to answer me. I want him to tell me why, when a government is elected ostensibly to carry on the responsibility of governing this province, that they create a situation for themselves, that they are at times incapable of governing, incapable of governing because they have given to the Civil Service the authority and the right to prevent them from governing. I'm not saying that the Civil Service are using or abusing that authority. But it does seem to me, Sir, that a clear distinction can be made between bargaining in the private sector - because the factors involved in bargaining in the private sector are not the same as they are in the government. The

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(MR. JORGENSEN cont'd) . . . . government has an endless bankroll to begin with and the Civil Service know that. In the report that was read into the House earlier this afternoon by my colleague, the Member for Fort Garry, there is some further interesting observations in that particular report - that is the C. D. Howe Research Institute dealing with the Civil Service. I'd like to put on the record some of those observations because I think they're very relevant to the situation that we face today and the reasons why, to a large extent, governments have created their own problems insofar as inflation is concerned.

It goes on to say that once the public sector unions recognize the nature of their new bargaining power, they set themselves the objective of parity with comparable workers in the private sector. The resulting surge in wage settlements as illustrated in Part 2(3) which compares base rates in manufacturing and in the non-commercial industries, that is the government sector, clearly the non-commercial settlements have been considerably more generous than those in the manufacturing sector which includes some of the country's strongest industrial unions. A differential between the two groups continued to widen in 1975.

Many private sector workers who do not have the job and pension security of public sector groups resent this move towards parity. Accordingly, they have tried to negotiate wage settlements large enough to restore the old wage differential which is quite natural. Large public sector settlements such as a 21.7 percent paid to Ontario civil servants late in 1974 have become targets for other bargaining units regardless of their relative base rates. Within the public sector comparative bargaining has become widespread. Teachers in one city bargain on the basis of teachers' pay in another city; nurses in one province demand parity with nurses in another. The result is that a generous wage settlement in one area is rapidly adopted as the claim of workers in other areas of the economy.

The implications of the institutional change in public service bargaining in 1967 are profound. In effect the roles of the public and private sectors have been reversed in many bargaining situations with the public sector now setting wage patterns for other sectors. And that, Sir, was never intended to be, never intended to be.

The role reversal is important in itself but its importance is compounded by the fact that public service wages are not subject to the discipline of market forces or to any other natural source of economic discipline. This comes about in three ways. A recession does not influence a demand for government services. This means that the conventional theory that higher unemployment will curb wage demands does not apply. The only time that public service jobs are at a risk is when governments try to cut spending. Wages are not responsive to the supply of labour. For example, Canada has a surplus of teachers now that the baby-boom children have been educated. According to labour market theory if other factors remain the same, wages paid to teachers should rise more slowly than the average wage until the surplus teachers have found work in other occupations. However, teachers in some provinces, particularly Ontario, have been able to bargain successfully on the basis of their status in the community and their historical relationship with other teaching groups.

Wages are no longer responsive to regional economic differences. Once public servants across the country have bargained on the basis of a national standard other local unions will bargain on the basis of parity with the public servants. This creates a homogenous labour market that does not reflect variations in labour supply; ability of the employer to pay all the local cost of living. In a country with striking regional differences, this represents a major departure.

I know the Minister of Labour and he's going to embark again on another tirade suggesting that we on this side are not considerate of the poor people that work in the Civil Service and that he on his side of the House has given that kind of equality, but at what expense? That is the question that I would like the Minister to answer. Fine. It's all very well and good to stand up and say that you have treated the people in the public sector on an equal basis with people in the private sector. But the circumstances are different and must be recognized as such and any departure from that fact is bound to create dislocations. That is what has happened. There's no question about it. What the

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(MR. JORGENSON cont'd) . . . . government has done is taken a very shortsighted attitude in this thing. It was an appeal to a particular group of people, and that's very easy. If you want to succumb to every pressure group that appears before you then of course there's no end to the kind of concessions that a government can make. That to me is not the role and the purpose of government, appeasing pressure groups. The role of government is to govern and they must at all times have a long term objective and one of the greatest contributions that any government can make to any country is to create some stability in the currency of this nation. Because it is inflation that is creating 95 percent of the problems that this government opposite today face and they've contributed to their own problems.

It is only when the government recognizes the long term implications of any action that they take that they can be regarded as a government with any sense of direction. I'm sorry to say, Mr. Chairman, that this government has not displayed or indicated any sense of direction in the policies that they've taken. They've been policies of expediency. They've been policies intended simply to cater to the whims of any particular pressure group no matter where they come from. What we have is one warring faction pitted against the other, bargaining for some favour from the government. Sir, we cannot run the country on that basis.

There must be some rationale. There must be some sensible approach to the long term objectives of this nation. In my view those objectives are stability for one thing, and freedom. We won't achieve them in the direction that this Minister and this government is heading. I say these things in all kindness to the Minister. I know that he's been in this House a long time and if we have respect but nothing else, we should have respect for his age and for his length of service. I do regard that as a contribution that he's made. But I do suggest that this government have lost sight of the long term objective unless their long term objectives are different than mine. They try to pretend that they're not. It'll be up to the government now to prove that they are the same.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I rise to indicate to my honourable friend, the Member from Morris, that I am going to disappoint him. I'm not going into a tirade at all. I listened with a great deal of interest to his reading of the gospel according to Ms. Maxwell which has been adopted apparently by the Conservative Party. Because what my honourable friend said tonight is just really a rehash or a repeat of what other prominent members of the Conservative Party here in Manitoba and the Conservative Party in Canada have said. So I am going to really disappoint - I'm not sure whether I am disappointing him or not by going into a tirade in reply to what he says - I can accept what he said as being an epistle that is acceptable to him. It is not a gospel that is acceptable to me.

But I do want to ask my honourable friend, in all fairness, is there not a conflict between what he has just said and what his benchmate has said in respect of morale within the Civil Service? My honourable friend, the Member for Fort Garry was chastising, criticizing me as the Minister responsible for this department and also the Minister of Labour, because The Employment Standards Act was not made applicable to the Civil Service, because the benefits under The Employment Standards Act may be better than those contained in the collective agreement between the government and the Manitoba Government Employees Association.

The epistle just read out by the Honourable the Member for Morris indicates that insofar as working conditions that we should treat our civil servants, because of their particular and peculiar type of employment, differently. That is what the basic concept of the document or paragraphs that have been read out this evening by both the Member for Fort Garry and the Member for Morris, that we should treat our civil servants differently than we do general industry, that a man is not worthy of his hire on an equal basis here in Manitoba in the Civil Service as he should be or is outside of the Civil Service. That's the soul and substance of the Maxwell epistle, and I reject it. I always have rejected it.

So I say, Mr. Chairman, I'm not really going to go into a tirade. But I do

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(MR. PAULLEY cont'd) . . . . appeal to my honourable friends to be consistent, that if we are going to be chastised and criticized because of the type of negotiations and the end results of negotiations with our Civil Service that gives a different type of a standard to what may be desired or is a fact in other industries, don't condemn us for it on one hand because it's not good enough and on the other hand because it is not in accordance of the gospel according Maxwell through C. D. Howe Foundations.

So I say, Mr. Chairman, no tirade from me. I listened with a great deal of interest to the input of the Member for Morris. I think he believes everything that was contained in that epistle. But I do want to say to him, I do want to say to this House and particularly to the members of the opposition, I don't concur in the approach of the author of the book that has been quoted here tonight. Because I am one of those individuals who feel that a man is worthy of his hire whether it's here in Manitoba or whether it's in Canada. One of the reasons that there has been an upsurge within the Civil Service right across Canada, indeed right across the whole world including the United States and I know the United States because I do have the honour of being the President of the International Association of Labour Administrators. I do know that there is a militancy prevalent today within the Civil Service right across this continent as indeed there is in the old country and every other democracy. Because the general concept of the application of treatment to the Civil Service or the civil servant historically has been the approach of the epistle from Maxwell.

I say, Mr. Chairman, it's not any longer good enough. We can't simply, because a person happens to choose a career in the public service, albeit in many respects there is a greater stability in employment in the Civil Service than there may be in some industrial undertakings, we can no longer continue the concept that they are our slaves. This is the basic concept of the epistle that has been well read into Hansard tonight. I would recommend, I would recommend to all who have an interest in fair play and a fair approach and the difference between the concept of the Minister responsible for the Civil Service in Manitoba and the concept of the Conservative Party of Manitoba to purchase or obtain copies of Hansard so that they can read the difference in the approach between the party opposite and I as Minister responsible for Labour and the Civil Service in the New Democratic Government. There is a different approach; there is a different concept.

How I love to read ancient history. Some of my forefathers were associated with the toll puddle markers of years ago in my native or ancestral home of Dorset and they were sent out of Britain onto the high seas to Australia and Hobart and I had an opportunity of seeing the prison in which they were incarcerated because they dared, they dared to go against the principles in existence at that time. But because they were farm workers they were slaves. It is no longer true today. We have gone a long way from that, but when we read the documentation from the C. D. Howe Foundation and the epistle of Maxwell, and when we find here tonight on the 18th day of March, 1976, spokesmen for the Tory Party of the Province of Manitoba using that as a foundation for the approach that this government or indeed any government should take in their dealings with their civil service, I say, Mr. Speaker, maybe democracy hasn't gone as far as it should have. But surely to goodness no person in their real true thinking mind would want to turn the clock back to accept the principles which apparently have been supported by the Conservative Party of Manitoba in the debate on these Estimates tonight. I would suggest that if we did accept those principles, it would be but turning the clock back to Robespierre, the French Revolution, and any other out-cryings of the common wheel in order to have a fairer, better deal from their fellow citizens.

So I say to my honourable friends --(Interjection)-- Yes, my honourable friend the Leader of the Opposition wonders, Mr. Chairman, what sort of crap this is, I . . .

MR. CRAIK: We have heard about Australia; we are now into the French Revolution. I think we should get on with the Estimates here and start talking and get some explanation for the increase that's here from \$8 million to \$11 million and get that explained.

MR. PAULLEY: Mr. Chairman, I listened with courtesy to what the honourable Member for Morris was reading which was relative to an approach to our civil servants

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(MR. PAULLEY cont'd) . . . . wherever they may be. And because of the fact that I choose to use that epistle as a foundation for a logical approach, my honourable friend the internal leader of the Conservative Party says it is a bunch of crap. I want to say, Mr. Chairman, I question his choice of description. But I do want to say to the honourable leader that it is so typical of his type of approach to this situation that he would call it crap but I'm sure that tonight of all nights, even though we may not have gotten down to dollars and cents as quickly as we might have, the exercise has been worthwhile because it has clearly established the mental attitude of the Leader of the Conservative Party to the civil servants of Manitoba and clearly demonstrated as I have attempted to demonstrate all day, the right wing repressive Tory approach to the affairs of Manitoba.

MR. CRAIK: Mr. Chairman, I repeat we are not interested in listening to the ramblings of the Minister of Labour. We came here to ask questions about how, in a year of restraint in particular, he is going to justify his expenditures he has shown on these Estimates. We want an explanation and we demand of him some explanation of his increases in his estimates rather than this nonsensical rambling that he is doing here tonight.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, I just want to make one or two comments with respect to the last contribution of the Minister. I must say that I believe, with respect, that the Minister has dramatized and exaggerated the construction that my colleague, the Honourable Member for Morris, and I have placed on the particular philosophy that has been introduced from the writer, Judith Maxwell, into this debate up to this point.

I see nothing wrong with delineating different philosophical positions where the attitude and policy towards a Civil Service is concerned. I see nothing wrong with delineating different philosophical positions on any issue having to do with the welfare of the province that we live in. The fact that we take a different view towards the public service and the machinery of public government and the cost of same; and the fact that we perhaps take a different philosophical approach in policy I think is all to the good. I think it is constructive. I see no reason for the Minister to take the attitude, and try to paint us into the corner of reaction and try to paint us into a corner that is not correct and is not representative of where we stand or to be critical of the fact that we don't approach public service and the cost of public service from quite the same perspective that he does. To me that's good parliament. --(Interjection)-- Well to me that's good parliament. I don't see where the Minister has any justification for becoming so righteously indignant over the fact that the Progressive Conservative opposition on this side of the Chamber differs from him and his colleagues with respect to their attitude in any area, whether it be the Civil Service or whether it be any area of the public affairs of this province. To me that's good parliament. That's the way it should be. So I don't share the Minister's concern over the fact that we happen perhaps to have got into a philosophical argument as to where we should be going vis-a-vis the public service.

I want to say that even allowing for that, once in the philosophical argument, I do think that the Minister has over-reacted and over-exaggerated and over-dramatized a position which he thinks we may take or may have taken, but which in fact we have not taken, not the way that he has attempted to describe it. I want to remind the Honourable Member for Thompson and the Minister that when I spoke with respect to the things that I read into the record from this particular report, I was talking about the size of public service. I was talking about the cost of maintaining public service. I was talking about the fact that the author of this particular report had underscored the truism that more than 40 percent of the workers who went to the bargaining table in 1975 in Canada were employed directly by governments in the Civil Service or employed indirectly by government financed agencies. That is the approach that I was taking to the problem and I got into it from my questioning of the Minister on the increase in the size of the Civil Service and the justification for same. I don't believe that the Minister should be allowed to make for the record the point that my colleague, the Member for Morris, and I were suggesting that the foundation, that the foundation for the government's approach to the Civil Service should be necessarily the points and commentary that are contained in this report.

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(MR. SHERMAN cont'd)

But I do believe that there are things in here that this government, this Minister can learn from. I do believe that when the facts of the public service in this country are outlined and defined as clearly as they are in some of this commentary that they are worthwhile considering in the approach that this or any government takes to maintaining that service and financing it, and funding it. That's all we're saying, that there are perspectives here, there are aspects of public service in the support of the public service by the public purse that has to be taken into consideration.

Nobody is suggesting, Mr. Chairman, that this is the final word. What we are suggesting is that the Minister certainly has not come up with the final word and there are truths about the situation in the country today that the Minister should take into account. One of them is, as pointed out in that report, that when you are looking at a total of something in the neighbourhood in excess of 40 percent of the collective bargaining agreements in this country in one year consisting of collective agreements worked out in the public service, then we are faced with a monstrous and monolithic kind of bureaucracy for the taxpayer and the economy to support. Then when we look at the increase in the Civil Service and the increased funding necessary to finance it and pay for it, we ask the Minister what he is doing about it and what kind of practical approach and what kind of practical thinking he is bringing to the question. That was the reason for my reference to that report and the reason for reading those comments into the record and the Minister is going far beyond the true parameters of the debate when he suggests we are talking about going back to a period in the Dark Ages from whence his ancestors emerged from Dorset or wherever it was to which he referred, and suggesting that a man or a woman is not worthy of his hire.

Of course a man or woman is worthy of his or her hire here in Manitoba and nobody on this side is suggesting that they're not. What we have asked is for this Minister to account to us for the cost of the Civil Service and for the increase in the size of that Civil Service. We have also --(Interjection)-- It is what I said. If the Minister checks my remarks, it is what I said. Well the comments didn't come from the Minister, they're from the Member for Churchill. It is what I said. It is precisely what I said.

When I asked him about The Employment Standards Act, that was delivered in the form of underscoring my contention that there is some unhappiness, some discouragement, some decline in morale in the public service and the Minister has conceded that in a 13,000 work force there may be some. The Minister has conceded that the request came from the Service for consideration to bring them under The Employment Standards Act. Well the Member for Churchill can appear as disturbed and unhappy as he likes but he hasn't been here for the debate except for only part of it. He has not listened to the construction of the debate or to the arguments that have led up to the point where we stand at the moment. I want to make it clear that the Minister has leapt to conclusions which were not suggested and not intended on this side. We have asked him to address himself to those two questions of morale and of size and some of the arguments and some of the facts contained in this report underscore part of the problem. Hopefully in his solution he will take some of these into consideration. No requests to go back to the 18th century whatsoever. There is a request to try to bring the thing under control in the last one-third of the 20th century.

MR. CHAIRMAN: Resolution 29(a)--pass ?

MR. GREEN: Mr. Chairman, I see the other members wish to speak on it. I think that we are ready to adjourn, the other Committee having finished in their work and the Department of Public Works is now completed, I gather. I wonder if Committee could rise now ?

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MR. CHAIRMAN: Order please. There being a quorum the Committee will come to order. I refer honourable members to Page 49 in their Estimates Book. Resolution 105, Gimli Industrial Park: (a) Salaries. The Honourable Minister.

MR. DOERN: Mr. Chairman, there was a question asked this afternoon about the state of Misawa Homes in regard to payment of rental, and for your information they're paying some \$1,900 a month and they are paid up-to-date. There's no moneys owing.

MR. CHAIRMAN: The Honourable Member for Charleswood.

MR. MOUG: I think, on that question the . . . we're on, Mr. Chairman, whether or not the rent had changed from the time that Misawa had taken over completely and the government had opted out or were bought out, whatever, and if the rents had changed from that day on or had they changed mid-term versus the end of the rent year or the end of the annual price set for rent from when Misawa had stepped out on their own in comparison to when they were with the government.

MR. DOERN: No there has been no change in the rent, it's been consistent.

MR. MOUG: The dollar bills are the same. I wanted to ask then on that grant - I haven't got my Public Accounts book with me - but on Page 190, on the grant of \$91,000 and the answer the Minister gave, Mr. Chairman, it was a grant in lieu of taxes, and I was always led to believe, from my time in the Legislature, that grants in lieu of taxes came by way of the Municipal Affairs Department. As they wrote up in there for last year's, \$5 million, and I was wondering, is that money transferred from the Municipal Affairs Department to Public Works and in turn to the Town of Gimli, or does Municipal Affairs set that grant up individually, directly from the Department of Municipal Affairs, and why we would have double figures, why it would show up in Page 190 of this book? I would ask the Minister to clarify that or see if he knows the answer to what I'm looking for.

MR. DOERN: The practice is that Municipal Affairs pays the amount and then bills us and we pay them.

MR. MOUG: So then under those circumstances the Municipal Affairs Department would have it in their Estimates and you would have it in your Estimates then, Mr. Chairman. Public Works would have it in their Estimates as well as the Municipal Affairs Department having it in their Estimates. In other words, what I would ask you then is, the Estimates of today that we're looking at, the current Estimates, can you explain to me where that grant . . . Is it listed under Other Expenditures in the Gimli Industrial Park, because that's the way it appears in this book, in the Public Accounts.

MR. DOERN: It wouldn't apparently show in their vote but it would show in the sense of a recovery for the department.

MR. MOUG: It would show on the revenue side as an expenditure to the Town of Gimli, also it would . . .

MR. DOERN: It's to the R.M. of Gimli.

MR. MOUG: R.M. of Gimli, yes, and it would only show in the Municipal Affairs Estimates then? That's what we have on Page 44 of the current Estimates, and it wouldn't show on Page 48 or 49, it wouldn't show under Resolution 105 in any way.

MR. DOERN: Our assumption is that under Municipal Affairs under Resolution 93(c) it would show as a net recovery there, under that \$6 million or \$5 million figure.

MR. MOUG: Well that \$6 million figure, Mr. Chairman, is an expenditure and my question is, would it show on Page 49 anywhere under Resolution 105 for the Gimli Industrial Park? I'm wondering, is it included in 4(b), 4, sub-section (b), under Other Expenditures - is that 91,000 or 92,000 dollars in there?

MR. DOERN: That's the category.

MR. MOUG: It would be in there and it would be in the Expenditures of Municipal Affairs as well, like? --(Interjection)-- That's what I . . .

MR. DOERN: . . . put in the Municipal Affairs, so it would show as a zero balance.

MR. MOUG: Another question I had, Mr. Chairman, was . . . This Order for Return I have it shows capital expenditures over the last four years, from '71 to '75, it shows capital expenditures \$1,090,000. I was wondering if the Minister can explain to us what type of capital expenditure, what projects were undertaken at that time, and



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(MR. MOUG cont'd) . . . . . what we have to show in the Park for that 1,090,000.

MR. DOERN: Well, Mr. Chairman, technically I suppose this question should be answered when we debate capital but in general there's a conversion to natural gas, there were road repairs undertaken, the water system was improved, and the hangars had sprinkling systems installed for fire protection. That would make up the bulk of it.

MR. MOUG: Okay, thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I'd like to ask under the Gimli Industrial Park you have Gimli Auto Body, body shop repairs to motor vehicles. Is this a separate identity or has it anything to do with Autopac?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: That's a private enterprise. A Gimli garage from the Town of Gimli I guess has a body shop located in the Industrial Park.

MR. EINARSON: So there's no moneys insofar as the . . . when we talk about the Estimates or the financial statement of Autopac, then there's no money involved here insofar as the . . .

MR. DOERN: No. It's a private company which pays us the rent for leased space.

MR. EINARSON: Yes, okay.

MR. CHAIRMAN: Resolution 105(a). The Honourable Member for Charleswood.

MR. MOUG: On that I was wondering if the . . . On the Gimli Auto Body, they pay \$2,190.00. I was wondering if it's possible to give us, on that one particular instance, approximate cost of square footage and how elaborate a place that the Auto Body shop would have in the Park.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: This is an old, I guess airforce garage used for equipment. It's certainly not very glamorous and probably about 4,000 square feet. It would be 50 cents a square foot plus heat, etc., so it would be approximately that size, 80 by 50, or whatever.

MR. MOUG: Fifty cents a square foot plus their own utilities.

MR. DOERN: That's right.

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

MR. MINAKER: Thank you, Mr. Chairman. Through you to the Minister, I noticed in one of the Order for Returns which dealt with the numbers of employees receiving salaries and wages in excess of \$7,500, that under Public Works Department in the Gimli Industrial Park that there is one position that has a wage in the area of somewhere between 20 and 30 thousand dollars, and I wonder if the Minister could advise us the position that is in this category and the actual salary. I'm not interested in the individual, I'm just interested in the position.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: That's our resident manager. He's in the \$24,000 bracket, and you know I must add that he was the man who was the Commanding Officer of the Air Base when it was an Air Base and then went on in the services, one of these 30-year men, who was about to be promoted to a General, and we feel extremely fortunate that we were able to acquire him. So he has the unique distinction of having run it when it was a military base and now running it as a civilian. So for him it's a piece of cake and he does an extremely good job.

MR. MINAKER: Thank you.

MR. CHAIRMAN: The Honourable Member for Charleswood.

MR. MOUG: A question in regard to an answer that the Minister gave. Misawa Homes paying \$1,900 a month I believe was the figure that you said.

MR. DOERN: Right.

MR. MOUG: And I was wondering, the rent listed on the Order for Return shows \$35,512 all told. That was for the year 1974. And I was wondering if \$1,900 is a more up-dated figure, or is that the Misawa portion of the \$35,000.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: We'll have to figure that out. The discrepancy could be for storage space; maybe the 2,000 figure we gave you was the basic construction area, and the other

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(MR. DOERN cont'd) . . . . \$1,000 a month is storage - maybe somebody could pull that for us. No, we don't have it here. I guess we don't have that information. That would appear to be the explanation but we could check that out further.

MR. MOUG: Also another question I meant to ask this afternoon, Mr. Chairman, was, with the C.N.R. for instance, with the large area that they rent in comparison to what Saunders Aircraft did rent versus what Lake Winnipeg Boat Works for instance rents, is the average price, on those three, we'll take for example, would the square footage price on rent be the same in all three instances, or does it drop for a larger group such as C.N.R., a little bit more money for Saunders Aircraft, and quite a bit more for, let's say, Lake Winnipeg Boat Works, or is it pretty well a flat 50 cents, or whatever.

MR. DOERN: The C.N. is different in that these other businesses are renting basically industrial space but the C.N. has dormitories and schools, so they are paying a higher rate for that. In other words, their lease is a combination of, you know, commercial and sort of residential.

MR. MOUG: Well does that mean that the C.N., some of their trainees there, do they live on the Park site and stay there over a period of time and board at the Aspen Lodge, etc.?

MR. DOERN: About a hundred at a time.

MR. MOUG: A hundred at a time. Do they have much, much of their square footage that could be classed as warehousing and large hangars, or is it pretty well all a series of small areas such as classrooms?

MR. DOERN: It's basically a school with a residence but then they have this simulator which I think cost about \$1 million, which they didn't buy from us, but they rent space for the purpose of training, etc., but it's a different function, it's not a manufacturing concern.

MR. MOUG: Well I understand by that then that the government does not manufacture simulators for diesel locomotives.

MR. DOERN: No.

MR. MOUG: Thank you, Mr. Chairman.

MR. DOERN: Just on that point, their first simulator is there and I don't know what it cost but it's probably a few thousand dollars. --(Interjection)-- No, but their first crude model was there as well and the one they have now is worth about a million. I think they're planning a second or third. They're pretty excited about it in any case. I think they're considering manufacturing them and maybe selling them to other railways, or maybe even, I think, training other railways. I don't know if they're training other people there now other than their own; they've got a few outsiders but you know they feel they have built an extremely outstanding simulator and they're going to build more I think on the base and possibly for other parts of the country or for export.

MR. MOUG: Well maybe for the information of the Committee, then Mr. Chairman, could the Minister tell us what portion of Canada does this school draw from for the C.N.R., the east, the west, or the entire country.

MR. DOERN: It is coast to coast. It's the only one of its kind.

MR. MOUG: Thank you.

MR. CHAIRMAN: Resolution 105(a). The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to, through you to the Minister, quote the last paragraph under the Gimli Industrial Park: "During three and a half years of operation at the Gimli Industrial Park, the goal set to fill the economic void left by the withdrawal of the Armed Forces Base from the area has been achieved."

Would the Minister care to comment whether he feels the same today.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, you know, I think things have been extremely successful on the base. I think momentarily with the closure of Saunders there's obviously been an unsettling effect there. That has resulted in a loss of revenue, a loss of personnel, and a loss of income in terms of some of the accommodations, but offsetting that is the expansion of the C.N. school and the fact that we feel that within a very short period of time, we're going to conclude new agreements for the rental of three quarters of the Saunders space, leaving the operation consolidated in one quarter. But when you consider that even today

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(MR. DOERN cont'd) . . . . .

that there are approximately 300 employees, 300 full-time people working on the base, that has to be considered a considerable success in my judgment.

MR. EINARSON: Mr. Chairman, I haven't been here to follow all of the questioning on this but in just in case, and I will apologize if this is repetition; but of the 300 employees that the Minister talks about, are these all Manitobans or are they. Could he indicate where these people have come from?

MR. DOERN: Our estimate is that the majority are Manitobans but you may recall that some of the Saunders personnel were imported. There were some people brought in from Great Britain with particular skills, and I assume that most of them have left now.

MR. EINARSON: Most of the people that were imported for Saunders have now left?

MR. DOERN: I assume so.

MR. EINARSON: With the, as I understand it, about \$810,000 deficit and with the hopes that the Minister sees for the future, does he hope that that deficit will be reduced considerably in the next months ahead?

MR. DOERN: We expect so. We, you know, first of all have to sort of bring in new businesses and rent out the accommodations. We have to re-assess our rental rates because they have been low in the sense that they were set five years ago, and we have stayed with that. Then we are also hoping to re-negotiate an agreement with the Federal Government; they provided us with \$1.6 million and perhaps we will get another couple of million there, which would be very helpful.

MR. EINARSON: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Fort Rouge. Resolution 105(a). The Honourable Member for Charleswood.

MR. MOUG: I was wondering, while we were on the subject that was brought up by the Member from Rock Lake if the Minister could tell us the amount of employees that were employed by Saunders during 74-75. I ask that because it says that in that year, it says in this report that all 184 housing units and 11 trailer pads were occupied.

MR. DOERN: Yes.

MR. MOUG: I am wondering with the dislvement of Saunders Aircraft, is this economic void still filled, and are the 184 housing units, plus the 11 trailer pads, still occupied. This would give us some indication of: were the people local, that we're trying to fill the economic void in Gimli, and this was the purpose of the Industrial Park in the first instance, was to create the employment, and hold the standards of the employment that were there and being held by air base that the Federal Government supported, I am wondering if this very thing was accomplished by bringing in Saunders Aircraft such as it was, were these people brought in from other areas, the United States, Great Britain, wherever, and were they filling the employment spots that were created by the Saunders Aircraft.

MR. DOERN: Well Mr. Chairman, I did answer that question this afternoon. The situation today is that we have about 111 of the 184 units filled, so that's 60 percent, and of the trailer pads we have about 8 out of 20, which is 40 percent occupied. You know, I think that there can be no doubt in my mind that the effect of Saunders in the area was very beneficial, provided employment, people spent money in the community, and they certainly were of considerable value in making the base viable, so it's now our job to replace Saunders in the sense of replacing the influence of Saunders, and if possible try to attract industries or enterprises that will employ approximate amounts of people. Now whether we're that successful I don't know, but we are pretty confident that we are going to lease out all of the space. I don't know whether there will be as great a number of people employed in those industries as there was in Saunders, but in terms of the effect on the Gimli area, and I think Saunders made a significant contribution.

MR. MOUG: They can be filled by people other than those who are employed right on the park, they can be employed at Arnes, Manitoba, and live in those if they want to pay the rent.

MR. DOERN: Right.

MR. CHAIRMAN: Resolution 105(a) -- pass. Resolution 105(b) -- pass. The Honourable Member for Rock Lake.

MR. EINARSON: I wonder if the Minister could explain the considerable increase

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(MR. ENARSON cont'd) . . . . .

in Other Expenditures here on this from \$769,200 to \$1,179,000. Are there any expenditures here that are now in existence that probably weren't a year ago?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well this is of course our projection, and it's basically composed of two things, one is the cost of Saunders. The cost of Saunders some \$290,000, which would include insurance, storage, security, and certain salaries, and then some \$120,000 of price increases, increases in salaries for the security forces, a 20 percent increase in hydro, fuel increases of 25 percent, building repairs, food stuffs, taxes, etc.

MR. CHAIRMAN: Resolution 105(b). The Honourable Member for Charleswood.

MR. MOUG: I would just ask then what the Member for Rock Lake was talking about again. If you compare that back to the Estimates for 1975, was 769, and the Estimates previous to that was \$430,000, so it's a --(Interjection)-- yes, two years 300 percent increase and that's what I am wondering. You know, how viable the operation is at the park, and has the economic void really and truly been filled, or who is filling it, what part of the Province of Manitoba is filling the void and how they are filling it, and is this, you know, on top of the \$42 million loss with one of the operations in there, I am wondering just is the void filled or is that statement at the tail end there, does that really mean what it says? I am really confused on that.

MR. DOERN: Well, Mr. Chairman, if you bear in mind that there is some 33 industries there, of course Saunders being, you know, of basic importance, if you eliminate Saunders you still have 32 firms with some 300 personnel employed on the base. We have been hit like everybody else in the nation with inflation and greatly increased costs for material and labour, and I think that you can explain a significant part of that increase on that basis alone. Plus, I said, the fact that five years ago, when we set the original rates there was no doubt that the rates were low. I'm sure you talk to businessmen every day, and I talk to businessmen, and I was talking to somebody the other day who was involved in a fairly big enterprise, and they said they expected to lose money the first couple of years: they didn't expect to break even or show profit until the third year, so I don't think that that is uncommon. If we start out trying to balance the books right away we might pay a higher penalty. We started out deliberately lower and now we have to see just how far we can adjust. You know, what is the alternative? The alternative is to close the base, or make the rates roughly comparable to this city of Winnipeg, and that strikes me as being unproductive.

MR. MOUG: Mr. Chairman, I don't think at any time that you can strike the rates off in Gimli, such as they are in Winnipeg or any centre such as Winnipeg across Canada, and expect to be competitive. But I just thought we could get something more elaborate as an explanation from stepping in just 24 months, as I remember well two years ago we were looking at these Estimates and I remember chopping off that \$430,000 as other expenditures in the Gimli Industrial Park, and they were there and its \$1,179,000, and it's so close to the 300 percent it's as close as damn is to swearing, and I think that really the Minister should have a better explanation than, say, inflation across the country, because none of us has been hit in our earnings nor in our spendings by 300 percent.

MR. DOERN: I would like to elaborate then. Let me give you some examples between '74-'75 and '75-'76: professional fees went up \$5,000; other fees, \$3,000; stationery, \$3,000; telephones \$1,000; light and water, \$36,000 increase; fuel increase, \$60,000; equipment, \$9,000; building repairs, \$23,000; miscellaneous, \$20,000; garden supplies \$30,000; plus the fact that the figures for example in '73-'74 we were leasing 390,000 square feet; the following year, 430,000, that is up 40,000; '74-'75 the following year, up 85,000, etc. So there is also built in that an expansion of lease space, etc.

MR. MOUG: Mr. Chairman, we take by that as the lease space increases, the more we rent out in that area we find the deficit to be larger on account of the low rent, I suspect on the . . .

MR. DOERN: That's a major thing. Also, there is a very old plant there, I don't know when - When was the base constructed? In 1943, so we are dealing with a 33 year old base, and, you know, there is a lot of deterioration. I don't know what the Federal Government thought they were doing when they built it in 43, but I doubt if they thought

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(MR. DOERN cont'd) . . . . .

they were building it for a 50 year term, they probably assumed it would last 5 or 10 years or something, maybe 20, but you know, it is like some of the old houses that were built and expected to, wartime housing was expected to last for 10 or 20 years and they are still around - I don't know how good they are.

MR. MOUG: Well, Mr. Chairman, looking at the figures here I realize that \$150,000 for fuel, and utilities at \$42,000, but the money that has been saved in that same base on medical equipment was only \$1.56, and medical services supplies \$3.12, so we should have saved enough on that to offset the cost of fuel. Thanks.

MR. CHAIRMAN: The Honourable Member for St. James. Resolution 105(b) --, pass. Resolution 105. Resolved that there be granted to her Majesty a sum not exceeding \$1,999,000 for Public Works -- pass.

Honourable Members will notice there is no resolution under Provincial Land Acquisition, but in case members of the committee wish to ask questions on that item I will call first the Land Acquisition Branch and then the Land Value Appraisal Commission, then we can move on to 102(a).

Land Acquisition Branch. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I would like to raise with the Minister the issue of the expropriation of land that is presently undergoing between the Arlington-Salter Street bridge area for the purpose of acquiring the provincial buildings. I think there was a number of questions that arise out of that particular exercise the government is going through. First I wonder though if the Minister could detail more specifically at what stage those proceedings are now at, whether in fact that it has been referred to the Land Appraisal Commission where the expropriation proceedings have been undertaken. Perhaps before we enter into a line of questioning he could explain the exact status of those proceedings.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, Mr. Chairman, I made it clear a number of weeks ago that we were going to refer the matter of compensation to the Land Value Appraisal Commission. We are acquiring the land for purposes that are well known, and we have the right to refer this matter to the Land Value Appraisal Commission. Some people are awfully confused about this, and don't seem to know what they are talking about, but in this particular case, we have the authority when we are acquiring land, rather than expropriating land, in both cases we can refer this matter to the Land Value Appraisal Commission, and we decided to go that route. Once you do that then you are bound to pay what the LVAC decides. The people who are on the other side, who own the residences, are not bound to accept, and so we decided to take that step. We have taken that step. A number of people now have already gone before the board. There are, for example, 51 owners approximately, there are 36 who have accepted our offer, there are some 15 approximately remaining, and we expect that about another half will conclude a deal with us. Now I think that all of those 15 are going before the LVAC. Now I think about half have gone, and the remaining number will go, and that step will be completed, and then whatever is outstanding we will simply as a matter of routine institute or initiate expropriation proceedings.

MR. AXWORTHY: Mr. Chairman, I wonder is there any provision for assistance for those who appear before the Land Appraisal Commission to make their case: do you provide any support for them to get representation, legal or appraisal information before they appear?

MR. DOERN: Not in advance. The procedure is, I think, that it is considered in the settlement, that moneys will be provided for legal assistance, or appraisal assistance, but we don't pay it out in advance.

MR. AXWORTHY: Mr. Chairman, if I may just clarify that. It means that the residents whose land is being acquired, I guess is the word the Minister used, or potentially expropriated, are presently not receiving any assistance in making their case in front of the Land Value Appraisal Commission. Can the Minister explain why there would be no willingness to help, particularly in the case where maybe these residents are not of a - I think the word he used today is sophisticated nature, but would be fairly simple people who wouldn't know necessarily their rights or the procedures that they would have to obtain.

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MR. DOERN: Well, you know, I assume that some people may not be sophisticated but they may be very shrewd, and that when you're dealing with a person's residence I think many people have a pretty good idea what their house is worth and maybe some are very adept rather than inept at concluding a transaction.

The reason that we aren't advancing moneys is there's no statutory requirements. You know, we've had all sorts of demands. We've had all sorts of interesting suggestions. It's been suggested to us that not only should we acquire, not only should we pay out moneys in advance for legal assistance and appraisal assistance but once there was an agreement concluded, that we should then run around and find houses that would satisfy the person who is expropriated. I just find that untenable. You, first of all, go through a long procedure and you finally conclude an arrangement. Say, you give a man \$20,000 and then you say, "we're going to find you a comparable house." So he says, "okay go ahead." So then you have people galloping around all over the city picking up this person and saying, "how about this," and he says, "no, that's no good;" "how about that." I assume that a common sense approach would be to give the person cash or money, and then he himself could make that decision on what would be a suitable replacement. So that's been our position.

MR. AXWORTHY: Well, Mr. Chairman, taking into account that there is no statutory requirement, I don't think the government always just has to necessarily abide by what is statutorily correct, but may also sometimes have to abide by what is proper and responsible. I'm disturbed particularly by the Minister's remarks when he suggests that in this particular matter the government is under no obligation to ensure that there is a fair replacement for the kind of accommodation that is being acquired or expropriated in that area. I say that because of the particular problems where the assessment or appraisal is made upon market value, and yet the market value, in a deteriorated area or a core area, is usually not particularly high in these cases, and that therefore any replacement value will not obtain anywhere near the same kind of accommodation that the people had, particularly if their home was in good shape. They can't simply find suitable accommodation for the value that's been placed on those homes and therefore I think that that is one of the issues I believe, Mr. Chairman, that where a government must go further than simply what is statutorily correct and exercise some judgment based upon what is proper and humane perhaps. I would suggest that that in fact is what is the issue in that area; that the government has been acting purely and exclusively within its rights but forgetting that there are people with some strong concerns involved and that they are fearful of the fact that what has been offered or is being offered by the government for their expropriation or for their acquisition is not sufficient to allow them to acquire homes of similar means in other districts, because the market may be five or six thousand dollars higher in some other areas. I guess there's two questions and one is the very specific case that is occurring now and whether in fact the Minister would not agree that perhaps some changes in the procedures of this kind should be looked at in order to ensure that there is a fairness and equity principle involved in these kinds of transactions.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, look, if you take any group of 50 homeowners anywhere in Manitoba and you indicate that you intend to acquire their property, I would find it most peculiar if all 50 would accept what you offered. I would also think that if you were able to make all 50 offers that would satisfy them completely, it must be because you are paying a great deal of money. You know, if you offer a man double what his house is worth, he may say it's worth triple. And if you offer him triple he may say it's worth three and a half times. You know, where do you draw this line? I mean, all we do is we get our professional staff out there - these are professional appraisers - they attempt to the best of their ability to ascertain market value either on the home or the land, in some cases the land. The house, in some cases, on the land is worth I suppose more than the land, in other cases the land is worth something and the house isn't worth anything; you know, I mean we don't really want these houses, what we want is the land. So the house is really of no particular value to the government although it is obviously of value to the resident. We offer what we consider to be the best price. Now on that basis 35 or six

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(MR. DOERN cont'd) . . . . .

people have concurred, and we think that more will settle. The people concerned have a right to consult friends of their's, they have a right to consult real estate agents, they can hire appraisers, they have hired lawyers, they're getting all kinds of advice and the result is that a number of them are holding out. I don't find that unusual and I don't find that to be a measure of the stringency of the government. I think that that is predictable and should be expected, that in any large block of landowners there are bound to be some people who, because of their strong belief in the value of their house, or because they want to get as much money as they possibly can, are going to hold out. That doesn't strike me as being unusual.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, what the Minister finds, perhaps not as being unusual or predicatable, still doesn't answer the question whether it's fair. The issue that I'm raising with him is this, that in this particular area of the city where those residents occupy homes which have provided reasonable accommodation by their standards, what they are saying is they cannot replace that kind of accommodation with the kind of prices that are being appraised on the basis of market value and the reasons are because of the circumstances. It's not as if you're expropriating 15 houses in River Heights or Elmwood or East Kildonan. You're expropriating houses in an area which has been an urban renewal area, has never been a prime real estate market, and to expect those residents to be able to take what you appraise as market value and to go and take that cash and then acquire similar accommodation is not feasible at this point. That's why I say that the principle of fairness must be applied, and I'm raising the issue that particularly because of the nature of the objectives that were set for this project which, as we have heard in many forms from many Ministers, the objective was to help the people of that area. I find it difficult to see how this is helping people of the area if they can't get at least, on a minimum, a house for a house as the principle goes, or at least a similar accommodation for the similar kind that they had. Now that really seems to be part of the issue that's at point here is to what degree the government is living up to its objectives of aiding and assisting the residents of that area when, in fact, by the expression of many of them, as they've been expressed through the public media and by their own letters and so on that I've had - they sent me copies of many of them - they don't seem to really agree that you're doing much to help them at this stage and, in fact, I don't think they're out to make a big killing off your land acquisition. I think many of them just simply want to get another place to live that's of similar quality and standards that they have. That seems to be the issue, Mr. Chairman. Again, I'm simply asking the Minister whether it is not proper for the government to consider the nature of its offers and the nature of its appraisal, taking into account the specific problems that people in that area run into because of the nature of it being a renewal area and an area that is being subject to a lot of change and transition with a lot of uncertainties, because of the government's own intervention itself.

MR. DOERN: I assume that what the member is suggesting is that we should throw in a bonus of \$5,000 per residency with those that are outstanding, and then the ones we've settled also throw them a bonus, so that we would ask for another quarter of a million or whatever of taxpayers money so that everybody's happy. Is that what you're suggesting?

MR. AXWORTHY: Mr. Chairman, what I am suggesting and I believe - and I would have to go back and check it - but I believe about five years ago the Federal Government did a study on expropriation law and suggested in certain circumstances, particularly when residential units were being acquired and particularly those in downtown areas, that the principle of a house for a house be established. That you get not market value, but fair value based upon the kind of takeover that's being taken to ensure that they would be able to acquire similar accommodation in an area that was not being destroyed or not being evacuated and be able therefore to have enough return to be able to acquire that kind of accommodation. I'm wondering if the Minister would not agree to that principle?

MR. DOERN: Well, you know, I think in theory it's a fine principle, but how it works in practice I really don't know. Let me give you an example. I suppose the

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(MR. DOERN cont'd) . . . average home that we've expropriated is in the \$15,000 to \$16,000 price range, and there are homes available in that kind of price range throughout Winnipeg. I don't know about in Tuxedo, but I know in older sections of Winnipeg - as an example, I have a paper here which is two weeks old, and we've circled houses that are in that kind of a price bracket. This was two weeks ago in Winnipeg. There was one house available under \$10,000, there were six from \$10,000 to \$12,000; there were nine houses available from \$12,000 to \$15,000; there were eight houses from \$15,000 to \$18,000; there were 16 from \$18,000 to \$20,000, and 11 from \$20,000 to \$23,000. But I just don't know quite how you work that out. I mean, for example, if you give somebody say, who has a \$16,000 house in an old section of town and then you give them an equivalent house in another section of town where the property, say, the land is worth double or triple or the market's considerably higher, in a sense you're giving them maybe a \$20,000, \$25,000, \$30,000 house. I mean, how do you relate that? It seems to me that what you do is you try to relate a house of an approximate value with other similar houses in other parts of the city that are comparable. You know, if you own a house in say Elmwood, an attractive duplex, if you had that same house in Tuxedo or River Heights, I assume it might be worth another \$10,000, \$20,000, \$30,000. Yet, you'd have exactly the same house complete to every detail. But because of the higher value of the area and because of the higher price of land, you know, it's worth a lot more money. Now how do you resolve that?

MR. AXWORTHY: Mr. Chairman, I think the Minister's just hit upon the point, that if these residents wanted to acquire similar accommodation in Elmwood then they were going to have to pay \$5,000 or \$10,000 more to get it. I think that's what he just said.

MR. DOERN: I said there are areas of the city where the same house will cost you a lot more. But I also said earlier there are older areas or comparable areas throughout the city, maybe a mile or two away in a radius, where you can probably find similar accommodation at similar prices.

MR. AXWORTHY: Well, Mr. Chairman, before I was interrupted, I was going to say that the examples the Minister used I don't think are quite accurate because being involved with a couple of corporations that work in that area, I think what he is describing is what is known in the real estate trade as "handyman's houses" which mean that you may acquire them for \$15,000 but it may cost you another 5, 6, 8 or 10 to bring them up to standard. I think that it's kind of a false distinction to be making to draw some ads from a newspaper without having some ability to measure the exact accommodation. You don't know whether that \$15,000 house he mentioned in the newspaper, in fact, had a foundation that was falling apart or the electrical system was worn out, whatever it may be. I guess the question I'm raising with him is that when he says it may be fine in theory, it could be true.

But what I'm asking is, I suggest the government has particular obligations in this area, first, because of the fact that it allegedly has suggested its intervention in that area if for the benefit of residents, and therefore I think it almost puts a certain moral responsibility for it to prove that point, which means that it just simply can't be correct but it must go beyond that. And that secondly, it may be up to your own staff to determine whether and how it's feasible to give, not just market value based upon the immediate real estate values, but to ensure that there is enough compensation to ensure a replacement or a house for a house principle. I guess part of the question I have asked the Minister then is, while he's asking me how I should do it, I'm really asking him have they made any effort to determine what would be the proper replacement for the kind of accommodations that they are now acquiring in other areas - and I don't suggest that they are moving to Tuxedo - but in areas which are comparable such as Elmwood or the west end of Winnipeg or any other areas within that radius.

MR. DOERN: Well, Mr. Chairman, first of all I think that the approach has been that the higher of, I guess, commercial value or residential value was given to the residents to the best advantage, whatever seemed to be worth more, either the house as a residence or the land as commercial, because the area is zoned, I think, industrial and has been for years.



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(MR. DOERN Cont'd)

In addition to that there's, I think, a five percent addition given and there are moving fees and then, I think, we pay legal fees and appraisal fees, etc.

MR. AXWORTHY: Well, Mr. Chairman, it appears that at this stage at least the Minister is not prepared to make any changes in his approach, therefore, I'd like to ask one question that has puzzled me somewhat. That is with the large amount of industrial land, unused industrial land, that has been available in that area as well as other open sites, why did the government particularly choose areas which had large numbers of residential accommodations on them? Was there something in the design of this complex that they're planning that required this or was there not other sites that also could have been used that wouldn't have resulted in the disruption of residences from that area?

MR. DOERN: Well, you know, fortunately for ultimate backup I have my senior colleague with me, the Minister of Urban Affairs. But the - oh, he's leaving now. --(Interjection)-- He's weary from the battle, having just completed his Estimates.

But I think that we did attempt to select areas that were not heavily populated. I know we're looking at other areas and I mean, you know, I think a fairly good approach has been adopted. Where there are viable industries and so on, we have made adjustments in the land that we have acquired rather than, say, take for instance certain occupied businesses in the old core area that are presumably viable. We are looking at empty buildings, etc. When it gets into density of population, we are looking at areas that are more thinly populated than others. So I don't think we have simply gone into a particular area and selected a choice residential area, we have tried to take land that is possibly in an older, deteriorated section and that isn't as densely populated.

Now this decision was, I suppose, we accept responsibility for it, but it was worked out in conjunction with the City of Winnipeg and the idea was very simple, namely, that what we were attempting to do was to put up these buildings in areas that, in effect, it would be beneficial to the city as a whole. Now you know, if I tell you that I'm going to build a freeway and it's going to take out your house, that might be beneficial to the City of Winnipeg as a whole but since you live there and may like the area, you may be very pained by that decision and this is the same sort of situation. It's certainly not necessarily beneficial, probably the opposite to the people who live there, other than those who say wanted to get out for years and now this is a chance for them to, you know, start a new life. Maybe they were trying to sell and there were no buyers or maybe they decided now to sort of make a complete adjustment and move to another section of town.

MR. AXWORTHY: I wonder if the Minister could describe perhaps and more precisely, the nature of the sites that are being acquired. My information is that it's a six block area. Now is that a total clearance within that area or is there going to be spot clearance and are these provincial buildings going to be standing separated or are they going to be part of a complex that will be known as Doern Square or whatever it is, so they will all be integrated into one major complex? Could you describe the nature of the site acquisition and the planned development that will occur in that area.

MR. DOERN: The actual area of acquisition is more like four and a half blocks and there's basically two sites, I guess, separated by a street or is it a couple of streets? --(Interjection)-- Two streets and I know in one case there are going to be some businesses that are going to continue. There's a tannery and Nabisco, the makers of Cream of Wheat, for all of Canada. We could have acquired them and knocked them down but those businesses will continue to operate, but I guess the rest of it, the rest of it is going to be cleared for buildings and for parking facilities.

MR. AXWORTHY: I wonder if the Minister could then tell us that if there's going to be, in a sense, full clearance on, I think he said four and a half acre site, could he give us . . .

MR. DOERN: Four and a half blocks.

MR. AXWORTHY: Four and a half block site . . .

MR. DOERN: That would be what? - ten acres.

MR. AXWORTHY: Ten acres, okay. Perhaps the Minister could tell us why, for example, that particular site was chosen where there was, in fact, where there is a fair degree of residential location in it, when for example on the other side of the tracks, in

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(MR. AXWORTHY Cont'd) . . . the area adjacent to Lord Selkirk Park, there is probably 15 acres of clear land that's left over from the 1968 Urban Renewal Project which has never been filled and which was designated at that time for commercial development of some form. Or if that site may have been, for some reason or another, not available, could he tell us why for example, if again they wanted to locate in the core area, why they wouldn't have chosen sites on the east side of Main Street where city plans again have indicated the requirement for future office building construction of commercial industrial manufacturing sites between the river in the south Point Douglas area? Perhaps he could give us some idea as to why a site was chosen which is primarily residential as opposed to areas which are already available for the kind of construction that's envisioned by the government.

MR. DOERN: Well I think, you know, this is beginning to sound more and more like Urban Affairs and I really can't give you what might be a satisfactory answer. One of the reasons that this area was selected was that the City of Winnipeg owned a fair amount of property in the area and we acquired that property from them. That obviously made it easier to acquire the site. That was one reason for the decision. Now this other site, I'm not familiar with.

MR. AXWORTHY: Well, Mr. Chairman, maybe I could just ask the Minister: Were other sites in that downtown core area, on either side of the C.P.R. tracks or on either side of Main Street were they reviewed as to their potential for this Provincial Government complex? And are reports as to the relative merits of each of those sites available and could they be tabled for this Committee so that we would be able to have the kind of information that his staff used to choose this particular site over the others which are available, and by the way, in parenthesis, I'd mention that I do believe that the old Urban Renewal site that was cleared out in 1968 is also owned by the city, was available to it. So I suppose those factors would cancel each other out but I wonder, first, if those studies were done and secondly, if the Minister would be prepared to supply them . . .

MR. CHAIRMAN: Order please. I would refer the honourable member to the part under consideration which is the Land Acquisition Branch. He should confine his remarks to that, not drift into another area which has more to do with Urban Affairs than with the part under consideration.

MR. AXWORTHY: Mr. Chairman, I have no intention of straying off the track but it seems to me the question of the selection of the sites for this is very much the job of the Land Acquisition Branch, that they are determining sites for it and determining the values that are placed upon respective sites to get the best deal for the government, presumably.

MR. DOERN: Well, Mr. Chairman, on that point, the decision was more a decision of the Urban Affairs Committee or the Joint Urban Affairs provincial-city meetings. I mean that's where the decision was actually made. Then it is our responsibility to take action. We obviously had input into that, I'm a member of the Urban Committee, but that wasn't our decision within Public Works. It really came, the policy direction came from Urban Affairs. Public Works executed that decision.

MR. AXWORTHY: Well, Mr. Chairman, considering the fact that there is not an Urban Affairs Committee that appears before the body, because several Ministers are in fact represented, I'm wondering if the Minister though would be prepared to supply this committee with that kind of information that Land Appraisal staff did acquire in terms of looking at that particular site and measuring it in terms of its values and its concerns. And also if there is any other such studies which I would presume there would have to be that would make some comparative assessment of different sites, if that information could also be made available to this committee.

MR. DOERN: Well, Mr. Chairman, I think that has to be directed to my colleague, the Minister of Urban Affairs, and I would think that the member could certainly do that in the House or make a request for papers in the House.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I'm not a member - I'm a member of this committee - I was going to say I'm not a member of this committee but the committee is the whole House. I happened to wander in and found myself involved here. The matter was...

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MR. MOUG: . . . . out of rotation, Mr. Chairman.

MR. MILLER: I'll wait for my turn, I'm sorry.

MR. CHAIRMAN: I seem to have only one name on the list but I thought it was pertinent at this time to hear from the Minister of Urban Affairs, because we were skirting the edge of this department and going into the Honourable Minister's Department. The Minister of Urban Affairs.

MR. MILLER: No, I have to agree with the Member for Charleswood. If in fact he had indicated his desire to speak then certainly I don't want to interject myself because frankly I think this dialogue back and forth is really not the way the committee should be operating. Other members want to speak and I'm sure they should be able to speak so I'll simply wait my turn.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, just one final set of questions then to the Minister. Can he indicate what the timing will be then on the acquisition of these sites and when the projected construction times might be for them.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, first of all, it's not our intention to, you know, immediately seize the property and throw the residents out on the street. We're now going to the Land Value Appraisal Commission, they will have to make their findings. As I said, there's some 14 or 15 people left, we expect that another half might settle then, and then once that becomes clear we will simply proceed to expropriation. I suppose after that procedure we would have the right technically of being able to acquire the property, you know, within 30 days. But we don't intend to move that quickly. You know, our intention is to refer all outstanding settlements after we go through the LVAC procedure to simply move to expropriation. I mean that's the final step, and I would assume that we will give a considerable period of time to the people to vacate their premises. Now just precisely what that will be, whether that will be 60 days, 90 days, 120 days, or what, but I don't anticipate construction before the end of the year. So, therefore, there's no use throwing people out after two months, we might allow them to stay two or four or six months and then we would acquire the property and then we would clear the property. But they will have ample time in which to make other arrangements to find other accommodations.

MR. AXWORTHY: Just one final question. Mr. Chairman, can the Minister indicate or clarify that is the government, or is he indicating that it is prepared to accept whatever findings the Land Value Appraisal Commission determines for these sites. And secondly, is it proper for outside third parties to appear before the Land Value Appraisal Commission to speak to the issue of what values might be properly applied to these properties on behalf of people?

MR. DOERN: Well, first of all, not only am I willing to accept it but I am bound to accept it. It is a requirement and, you know, that's why I find it rather distressing that Mr. Arenson, who is a lawyer, has repeatedly stated in public, in the press and on radio, on about five or six occasions, that the government is not, in fact, bound by the LVAC. Well, you know, we simply know that as an inaccurate statement. When we go to the LVAC for an opinion, that opinion is binding. It's binding on us, however, it is not binding on the people concerned. Now those hearings are open to the public and anyone who has something to say presumably has a right to speak. And, you know, that committee operates with a chairman, Mr. Walker, Jack Walker who I think bends over backwards to give people a fair hearing and I think would hear from anybody who had something to say on the matter.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Chairman. My problem is to do with the right-of-way in the Carberry area. I think we've had this in other years. We don't seem to be coming any closer to a conclusion. I was wondering if the Minister could indicate what the action is there and when we can look for a settlement in some of these land claims.

MR. DOERN: Well some of these issues are pretty complex. In this particular

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(MR. DOERN Cont'd) . . . case, there's about 25 properties still outstanding and the lawyer is Frank Meighen who is representing all of those people and they apparently are meeting with the Attorney-General's department and trying to resolve the matter. But some of these procedures are very slow indeed and very complicated.

MR. FERGUSON: This has been the same answer for three years now and I would think that possibly some of these people may want to become established, they can't develop their farms, they can't do anything, and it's very unfair to them and this thing just seems to be sitting. There's one particular case that I'm sure you're quite aware of.

MR. DOERN: My understanding is that, I guess if action is sought, that their lawyer is the one who can initiate it. If he initiates proceedings in the court, maybe that will facilitate matters. But other than that I'd be prepared to meet with the member and perhaps we could call in our staff and try to clarify the status of this particular project.

MR. FERGUSON: Well there is just this one particular case, it's got to be resolved because it's upsetting the whole family and it isn't just started, it's gone on for three or four years. I think the fellow is a very reasonable man and he has a place where he can relocate but we just seem to be getting nowhere. I would certainly like to see something done on this.

MR. DOERN: I think we'll try to follow that up and report to the member.

MR. CHAIRMAN: The Honourable Member for Charleswood.

MR. MOUG: Mr. Chairman, I wanted just to mention briefly what has been spoken on before. I was looking at the property that the government is concerned about for their provincial garage and laboratory or whatever that's going in there and I thought, by a newspaper that I read and I think some reports on other areas of the media, the prices that were being offered in there for the homes was ridiculous. I read an article on a three bedroom home, it was a small square footage, something under 700 square feet and the Land Acquisition Branch had offered them \$7,200 for it. And that's positively unreal because in the same area, in 1972 - I have a copy of a letter that was mailed to Aronovitch and Leipsic saying that they had accepted a residential lot with a dwelling situated thereon for \$8,000 and they turned down a piece of property at 140 Barber Avenue for \$13,500 - they turned that down. But this is in 1972 and I think that they were paying \$8,000 then. Here's a residential lot for \$11,000, it's in the Point Douglas area, where the MHRC was moving into at that time and I think that when they pay that for a vacant lot, \$11,000, I don't blame the people in the other areas for getting up-tight at \$7,200. And I think it's an unreal price and as was mentioned here before, certainly they should see if they can exchange properties with them and find them a home as good, and let them into that rather than put them out on the street with a very few dollars, unreal dollars. There's no place that you can buy a building lot, that I know of, within the bounds of the City of Winnipeg today for \$7,200 and that includes unimproved farmland. You can't buy a half an acre of land to build a home on that has access to a road for \$7,200. There's a lot of that type of property in Charleswood and it's a far extreme to the City of Winnipeg and the Headingley area, that you can't get property for \$7,200 to build on. Where do you even get the price of an improved lot with a street, water, gas, and other facilities they have on that property. I think it's unreal and these letters that I have from the Land Acquisition Branch here, were dealing with the very same thing across Main Street, on the east side of Main, in the Point Douglas area, and for the very same reason, by the same department, to end up with the same owners. And I think that certainly any comment that's made by this committee on what's going on there is certainly warranted, and the Minister is going to have to look at it in order to give these people a fair deal.

I also wanted to inquire of the Minister if the property that was held by Misawa Homes at the time of the split between the MDC or the Provincial Government and Misawa Homes was kept by Misawa Homes or was this property acquired by the Land Acquisition Branch. And the properties that are being picked up presently, throughout the area where the public works garage is going and laboratory, are these being picked up by a broker as was the case in 1972 for MHRC, or are they just straight deals between the branch themselves and the owners of the property?

MR. DOERN: The land Acquisition Branch is acquiring the homes directly. I also

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(MR. DOERN Cont'd) . . . would point out to the member, although one would think that the values in Point Douglas and the values in this particular section of Logan Avenue would be the same, in fact, the values in Point Douglas are slightly higher.

The other thing I point out is, you know all of us would like to be generous but, you know, you can't have it both ways; if you are willing to pay a considerably larger amount of money over market value you are using taxpayers dollars. So if you make the homeowner happy, you make the taxpayer unhappy, and what you have to try to do is use some sort of a rational guide, and the guide that we use is market value, with certain additional factors. Now I am not quite clear on the question that the member asked about Misawa, again, if he could repeat that.

MR. MOUG: The properties that were owned by Misawa Homes at the time of the split, I don't know the date on that, I take for granted it was some six or ten months ago, the properties that were held jointly by the Provincial Government or Misawa Homes per se, who ended up with that property? Did the provincial government hold that property and land bank it? Did it go with the deal and Misawa Homes remained owners of it?

MR. DOERN: You mean the property in Gimli or . . . ?

MR. MOUG: No the property that Misawa Homes had speculating building on --(Interjections)-- oh, throughout the Province of Manitoba, deals with the whole province, yes, wherever they own property.

MR. DOERN: I'm not familiar with that, I'm sorry.

MR. MOUG: Mr. Chairman, then to go back, I see that as a second remark in regard to the Public Works Garage and Laboratory area that we were referring to, and the Logan Avenue area, I think that something more has to be done by the Minister rather than just say well the taxpayer wouldn't be satisfied if we gave them more than market value. These people have to find another place to move to and if you are taking the home that they are satisfied to stay in and have, in some cases, for 35 or 40 years lived there and kept these homes up, it is what they want to live in, they didn't come begging to the Provincial Government, asking here, buy our property. I think that you have to see that they are settled down in a like area, if that's the case, or at least have a piece of property that they can replace that home on wherever it may be: but certainly not just say, this area is not going to exist anymore, the house is only worth \$7,200, here's your \$7,200, you go into an area where all the homes are worth \$15,000. This can't be, particularly when these people know, and I have this information from the Land Acquisition Branch that, they were paying as high as \$11,000 for vacant property across Main Street, not four blocks away.

MR. DOERN: Mr. Chairman, I know that the honourable member is a professional contractor, but, you know, I still tell him that if you read the daily papers you will find houses that, including the land, are extremely low in price. There are houses advertised and apparently turning over in Winnipeg under \$10,000, there are houses, as I said two weeks ago we picked out six, 10-12, we picked out nine 12-15. In terms of our offers my information is that the lowest offer that we made was for \$8,700, and then the next one was \$10,000 and then they went on from there, there were some went as high as \$20,000. But, you know, you can't compare the homes in Charleswood to the homes on Logan Avenue, it's just a different ball game altogether.

MR. MOUG: Mr. Chairman, never at any time did I try to compare the homes on Logan to any of the homes on Logan Avenue West or in Charleswood or Tuxedo, as I know the Honourable Minister likes to get to from time to time, I am comparing them six blocks away and four years ago by the very letters that came out of the Land Acquisition Branch - and I think that you have to take that as fairly good authority. That's what I am comparing them to, I'm not asking you to move these people on to Kingston Row or Wellington Crescent or anything else, I am just saying that they should get enough money for their homes, because they're not asking to be moved, that they should get enough money for their homes that they can go into a like home, 7,000 square feet, 3 bedrooms, be it a tar paper shack, be it a stucco home, or whatever it happens to be, give those people enough money so they can get back into the type of home they came out of. They can't afford, some of these people are retired railroaders with a pension that was fixed

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(MR. MOUG Cont'd) . . . on the economy of ten years ago, and we know what today's values does to their pension. They can't buy a home now, they're in their sixties, it was wrote up in the paper they're in their sixties, retired people. That's why I say, I don't want to see them moved into Kingston Row or Wellington Crescent or Tuxedo or Charleswood, as you say, but give them a like area, be it Brooklands, or Point Douglas, move those people back into homes.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman. I think the Minister knows probably the particular topic that I'll be discussing, but for the benefit of the other members around here I would just like to say that nine years ago Land Acquisition purchased property along the Hespeler Drain and at that time partial payment was made but final payment has not been made to date. Now Land Titles are withheld, taxes have to be paid by the individuals whose property was purchased. Estates cannot be settled because quite a few people have passed away since then. Land has been sold, transfers cannot be made because these things have not been cleared up.

Three years ago the Minister assured me that this would be treated as a top priority, and I have reminded him time and time again of the situation which still had not been resolved. I would just like to know, Mr. Minister, how long will these people have to wait until they are going to receive settlement? I think that it is not reasonable at all to expect them to wait any longer than what they have been waiting, I think that their patience has come to an end, they are after me continuously and I think it is about time that the Minister lights a fire somewhere, beneath somebody's posterior, it seems to me that he's lost complete control of the situation. Now we would like to know when is this finally going to be settled?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well as the member says, the whole business started nine years ago and unfortunately wasn't cleared up before we came into power. But our problem has been more recently that we have been waiting on the Surveys Branch - and I guess they have a backlog and I don't know what their problems are exactly - but we apparently waited for a couple of years to get the surveying. But we do have them now, do we? I wonder if you could give us some specifics again, do you have a particular name? My Director is familiar with it, but he has many hundreds of projects that he is concerned about.

MR. MOUG: Well I just can name two names right off the top of my head now but I know that there is quite a few that are involved. There was a Mr. Olfred, Mr. Joe Olfred is involved, and Mr. Henry Wiebe is involved, and . . . oh boy, I would have to check to see the list of names.

MR. DOERN: My Director informs me that they are in the process of being paid, so presumably the issue has now been settled other than final payment.

MR. MOUG: I would certainly hope that this would be settled once and for all, because this is just beyond the point of being ridiculous, it's a hopeless case, and I would certainly hope that these situations are not going to continue. All of these people tell me that no way are they ever going to have any dealings whatsoever with Land Acquisition, and you certainly can't blame them. I think that you are making it impossible for any of your people to come down into that area and talk with these people on land acquisition. There are other projects that have to be proceeded with and the image that the people have of Land Acquisition I assure you, Mr. Minister, is very low.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I was wondering if I could ask the Minister particulars about a particular situation on No. 3 highway where this has been going on for some time in regards to the purchase of land for the improvement of No. 3 highway which is situated between La Riviere and Pilot Mound. Can the Minister give me any particulars as to what stage that's in as far as his department is concerned?

MR. DOERN: Apparently there are one or two cases still outstanding and the Land Value Appraisal Commission is going out in a week to Manitou to hold hearings, so hopefully that's on track.

MR. EINARSON: Going to Manitou for the purpose of hearing out the farmers who

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(MR. EINARSON Cont'd) . . . are involved in this matter, it involves the . . .

MR. DOERN: In one case.

MR. EINARSON: In one particular case. And I am referring to land that is owned by a farmer on the top of a hill west of La Riviere. Now I hope that his staff are familiar with what I am talking about.

MR. DOERN: My indication is that's not the particular case . . .

MR. EINARSON: That's not the particular . . . well that's the particular case I'm wondering about, and I'm wondering can the Minister indicate just where does that situation lie. I can give the farmer's name if necessary if that would be of help to the Minister.

MR. DOERN: Yes it would.

MR. EINARSON: Mr. Matthys.

MR. DOERN: I have to point out to members that there are, I suppose, hundreds or thousands of cases and that we just can't answer them all to the member's satisfaction without digging into it. But he will give you and the other members a reply on this as to what the status is of these particular acquisitions.

MR. EINARSON: I'm posing these questions, Mr. Chairman, because I'm wondering, does the Minister have information at his fingertips right here or do we have to wait till the officials of his department can search this out?

MR. DOERN: Well, as I say, there are thousands of cases and our files are not with us in that detail.

MR. EINARSON: Thank you, Mr. Chairman.

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

MR. MINAKER: Thank you, Mr. Chairman, through you to the Minister, I wonder if the Minister could advise in this particular department, Land Acquisition Department, are they responsible for recording and maintaining the record of all lands that they have acquired for the province and maintaining a record of them?

MR. DOERN: Right.

MR. MINAKER: Then if I understand the Minister correctly, Mr. Chairman, answering the question that the Member from Charleswood asked with regards to what has happened to the land that was handled by Misawa Homes, it was my understanding they had acquired several lots, up in the orders of a hundred I understood to develop with the idea of building these homes, putting them on the property and selling them. Since Misawa Homes are now the sole owner of this particular company I would then presume that the land has not been turned over to the province and held in record that is now part of the land bank.

MR. DOERN: Well we don't have a recollection of any land being bought for that purpose but we could check further.

MR. MINAKER: To the knowledge of the . . .

MR. DOERN: Can you specify where this land is or when it was . . .

MR. MINAKER: We were advised, I believe, in the Economic Development Committee last year that there was land that had been purchased for the development into a finished product, where they would put the house on the lot and sell it as a home. It was our understanding that there was considerable numbers of lots that had been purchased that way and we were just wondering what had happened after this change in ownership of Misawa Homes, in the transaction whether this land remained the ownership of the company or whether in fact became the ownership of the province. This is why we raised the question.

MR. DOERN: The question is clear, but we don't have an answer at this time.

MR. MINAKER: The other question I have is, how would the Department of Public Works become involved in land transactions involving co-operative housing units, in particular the project in the Brandon area, City of Brandon, how would the Department of Public Works become involved in this?

MR. DOERN: If MHRC is involved then we would be involved, but I don't know again, what technique was used there.

MR. MINAKER: Then in such a set-up where MHRC might be involved with co-operative housing of this nature, would the Department of Public Works put up the

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(MR. MINAKER Cont'd) . . . moneys to acquire the lands from the municipalities?

MR. DOERN: No.

MR. MINAKER: You are a hundred percent sure of that?

MR. DOERN: My Director is and so am I.

MR. MINAKER: Then they would not put up a cheque for deposit on the land to hold it?

MR. DOERN: Yes, as deposit.

MR. MINAKER: So that the Department of Public Works does put up moneys for deposit on lands like this to hold for co-operative housing?

MR. DOERN: We are then reimbursed for that by the client, who in this case would be MHRC.

MR. MINAKER: Can the Minister advise us in how many cases this has happened or is it the general policy of the department to do this?

MR. DOERN: A clarification. We put up money for deposits for our clients, but in the case of MHRC we don't apparently . . .

MR. MINAKER: Well could you define who are your clients?

MR. DOERN: The other departments - Highways, Northern Affairs, Mines, anybody.

MR. MINAKER: Would you do it for co-operative housing?

MR. DOERN: No.

MR. MINAKER: You are absolutely sure?

MR. DOERN: Reasonably sure.

MR. MINAKER: Mr. Chairman, I wonder if the Minister through you could advise the Committee, that it shows there are 28 employees that earn \$7,500 or more in the department and there are 21 employees in the range of up to \$20,000 per year. I wonder if the Minister could advise the Committee what category of employees are in this wage category and what their responsibilities are.

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: About half of our staff, say some 25 approximately, 25 are office staff, etc., and the other 25 are accredited appraisers, and they're the ones who would be in that bracket \$15,000 and up.

MR. MINAKER: \$15,000 and up. What is your department size now? I believe at the end of March 31st, 1975 it was 28. Could you advise us how many there are now? I'm sorry, my apologies. That would be over the \$7,500 range. Could you advise if that is still pretty well accurate?

MR. DOERN: Those are your figures for a year ago, are they? 28 people making over that amount of money?

MR. MINAKER: I would also presume, Mr. Chairman, through you to the Minister that the one individual in the up to \$30,000 bracket would be the director, is that correct?

MR. DOERN: Right. Well again there'd be, you know, 25 to start with because the figure of \$7,500 for a property appraiser is very low. So there would be some 30 odd.

MR. CHAIRMAN: Land Acquisition Branch -- pass; Land Value Appraisal Commission -- pass. The committee will now revert back to Resolution 102(a) the Minister's Compensation. The Honourable Member for St. James.

MR. MINAKER: Yes. Mr. Chairman, I wonder, there were a few questions I had that I failed to raise when we were dealing with other areas. I wonder, can the Minister advise if his department purchased a special vehicle to transport inmates to the Headingley Institute in the last year?

MR. DOERN: Not to my knowledge, not in the last year.

MR. MINAKER: Well, in the last two years.

MR. DOERN: It would be about that, yes.

MR. MINAKER: Could the Minister advise us what the vehicle's approximately worth?

MR. DOERN: We'd have to dig that one up. It was a large van for transporting inmates or residents.

MR. MINAKER: Mr. Chairman, can the Minister verify that the van is so large that it cannot enter the safety garage at the City of Winnipeg and they have to load the inmates outside the garage rather than internally which is normally the practice of handling inmates?



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MR. DOERN: I can't verify that. Maybe it's to give them some exercise between...

MR. MINAKER: I wonder then if the Honourable Minister, through you, Mr. Chairman, can verify that he is again having problems with the measurements of heights and clearances, that this was again the same case . . .

MR. DOERN: Is this the height or a width? I'm good on heights, I don't know about widths.

MR. MINAKER: . . . that created the situation and who was responsible for it. I wonder if he could check into that. The other question I have, Mr. Chairman, I wonder if the Honourable Minister can bring us up to date with the present cost of the Woodsworth Building. Is it over budget? Or is it over the base that's shown in our Annual Report of I think \$7.2 million.

MR. DOERN: It really hasn't changed I don't think for a year or two. There was a revision made. I don't know, it's one to two years ago, maybe two years ago now. But the figures that we used, the rough figures are construction price \$7½ million and then \$2½ million for furniture, furnishings, etc.

MR. MINAKER: Just a minute, Mr. Chairman. That was not handled by the Public Works Department as a general contract, is that correct?

MR. DOERN: What was that?

MR. MINAKER: Did the Public Works Department handle that project as the general contractor?

MR. DOERN: No. Poole Construction.

MR. MINAKER: Okay. Also if Mr. Chairman can bear with me for half a sec here. With regards to capital contracts in the Annual Report relating to - it would be on Tenders and Awards from April 1st, 1974 to March 31st, 1975. It's Page 2 of that. I can wait till you're able to get it. That particular page starts off Storage Building Assiniboine Community College. Is there any particular reason why the lowest bidder was not chosen in that instance for the Storage Building? I notice that the second lowest bidder was chosen.

MR. DOERN: I'm afraid we'd have to double check that one. We don't recall the reason, but obviously there is an explanation. Now let's see if my Director of Administration can help us. Apparently the explanation is that there was a bonding problem there and since they couldn't get a bonding then they went to the next person.

MR. MINAKER: The Public Works didn't choose to bond the individual in that case and save the \$5,000 like they have Flyer Industries with MDC. Mr. Chairman, I wonder through you to the Minister on the same page, there's a Jack River School Water Treatment Plant, Norway House, Manitoba for a contract price of \$341,000. Does that particular Water Treatment Plant just serve the school - \$341,000 plant just to serve the school? --(Interjection)-- Gee, I would hope it would be for that.

MR. DOERN: It was first of all a requirement of the Clean Environment Commission. It serves the school, the teacherages, and there's a Roman Catholic Mission as well.

MR. MINAKER: It serves three facilities, but not the site itself, Norway House?

MR. DOERN: No. It's some distance from there.

MR. MINAKER: How many gallons per day would that handle?

MR. DOERN: I can't answer that now.

MR. MINAKER: On the next page it shows that the Norway House Jack River School was \$2.1 million which included the \$400,000 Water Treatment Plant. How many rooms would there be in that school?

MR. DOERN: I'm afraid I can't answer that again. It was worth over a million dollars, the school.

MR. MINAKER: \$1.2 million.

MR. DOERN: Right.

MR. MINAKER: But the project amount is looking at \$2.1 million. I'm wondering, there's \$400,000 for the Water Treatment Plant, where is the remainder of the moneys? That comes to roughly \$1.7 million. You're still looking for \$400,000. Mr. Chairman, can the Minister advise us where the other \$400,000 is?

MR. DOERN: Well, you know, you're giving us I assume the construction price

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(MR. DOERN Cont'd) . . . plus the Water Treatment Plant and I assume that the remainder would be for furniture and furnishings for the complete price.

MR. MINAKER: \$400,000?

MR. DOERN: Well, you know, I gave you the example, the Woodsworth Building where there's a couple of million dollars in that. It would be the same ratio, if it's correct.

MR. MINAKER: Through you Mr. Chairman, the Minister is not able at this time to advise us where the \$400,000 is or how many rooms are in the school?

MR. DOERN: No. But I certainly can obtain that information.

MR. MINAKER: Mr. Chairman, I would like to make a couple of comments at this point with regards to the Operation Department and the Engineering and Architectural Department that the Minister's department operates. I'm concerned of its growth in the last two years from these two departments, in some areas they've grown in the order of 80 percent. And what I'm concerned about is that possibly the Minister is locking himself into a make-work project every year; that he has this staff on hand, he has the construction personnel built up; that in order to keep them busy he's going to have to find work to renovate the various buildings or build new buildings and I would hope this would not happen, particularly when the First Minister and the government has indicated to the people of Manitoba that we're in a period of restraint and we have to cut back. Yet in many areas in going through these particular estimates we've seen where in the General Administration that in the two-year period it's grown 47 percent, again in the Architectural and Engineering Department it's grown another 46 percent. Then further on you're looking at 80 percent gross in other departments. But particularly where I am concerned is that he may be locking his department into a situation where, that not necessarily himself but his managers and the directors will have to prove that the staff they have on hand are required and as a result will find work that has to be done, and not necessarily done. And particularly in a time as he indicated earlier, that the First Minister has said we must cut back our spending, and I can agree with him now when he said, you know, the spending should have been cut back two years ago. Well obviously he must have been referring possibly to this department where it has expanded in leaps and bounds in the last two years. I hope that the Minister will possibly make note of some of the comments I made and make sure that when his directors and managers and administrators come to him next year with projects that are again expanding at this rate, that he will hold a firm line and take a close look to make sure that the work is justified and that it's not make-work projects that justify the need for the staff that have been hired and on staff, and to make the administrators look like these people are required and the work is necessary.

MR. DOERN: For the information of the member, the squeeze has been on and is on this year. There is no change in the number of staff-man-years being requested, there's nil increase. So the screws are in.

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MR. CHAIRMAN: Resolution 102. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, having taken your recommendation that we not stray too far from the question of the land appraisal and the expropriation, I'd like to take the opportunity in the Minister's Salary to perhaps raise a couple of dimensions of that problem of the Public Works activity in that area that would be properly suitable to this topic. I think that it grows out of the kind of basic objectives or purposes for which the project down there is intended. I think by most admissions now that it will have absolutely no social or economic benefit to that area. I can't for the life of me, unless the Minister has a secret formula find ways in which that particular development will aid or abet the economic wellbeing of the 20 or 30,000 residents in the core area. I think that there doesn't seem to be much indication of that unless he's going to hire a few of them I suppose as maintenance people, perhaps that may be one of his purposes. But certainly by any other indicated expenditure of I believe somewhere between \$40 and \$50 million, and by the time it's built it will probably be another five or ten with inflation and all; it looks like we're talking in round figures about \$50 million of fairly precious capital that is not in any way going to be of much benefit to the individual concerns of residents in that area, so I guess we have to go off looking for some other reasons for it. The reasons that were given to me by the Minister of Urban Affairs, and I would really want to know if the Minister of Public Works concurs that they are his buildings, that it may provide some aesthetic qualities to the area. I guess aesthetic similar to what we acquired with the Woodsworth Building, and that's something to look forward to I'm sure, that the people in the area will be thrilled at that prospect.

But again I guess I really want to raise that - is that how he is determining the values of it? And I guess finally from his own purposes because they are Public Works buildings, there presumably is some space requirement for the Provincial Civil Service. So when you really boil it down to the benefits of that \$50 million, what we're buying with it is some aesthetic uplifting as well as a large amount of space for the occupancy of the Provincial Government. That really is probably the clearest assessment of the costs and benefits that can be made, that for the \$50 million that's what we're buying and I would hope at some point then perhaps because this Minister may acknowledge that we should stop and put it in its proper perspective as to exactly what it's going to achieve. But if those are the only purposes, if we're simply in the exercise of acquiring a lot more government space, I think the legitimate question has to be asked as to why. Because again as it's been pointed out in several of these debates and discussions, the amount of space that the government acquired over the past two or three years has really been out of all proportion to the numbers of people employed by the public service when you look at the least accommodation going from 1.9 to 2.6 to 4.6, 30, 40 percent increases each year, which is far in excess of what the growth of the Civil Service itself has been.

So either the Civil Service was horribly cramped up till 1974 or since 1974 we've decided we're going to give them an awful lot more space to do whatever they do in. Or in fact that we are building an awful lot of excess space or again going back to that horrendous exercise which I thought we had expunged from our public policies in the 1930s - and that is that you build public works edifices almost for the sake of doing something.

Mr. Chairman, I recall reading this summer an interesting book on a character called Robert Moses who was one of the great builders of New York City, of his time, and I would hope that it wasn't the reading of such a book that gave the Minister of public works similar ambitions. But at that period of time, his concept or theory about development and building was to get a lot of Public Works complexes put forward, very similar I suppose in scope and scale in part to that which the Minister is now building.

The interesting conclusion, however, that that particular book came to was that if that whole exercise undertaken by that great builder, Robert Moses, was one of the contributing reasons for the present bankruptcy of New York City, because while government was spending very scarce resources on outfitting itself in more splendid fashion, a lot of the basic economic concerns of that fair city were being left unattended. And it simply strikes me, Mr. Chairman, that we are repeating history and repeating those mistakes once again, and I really can't fathom why in this day and age when . . . particularly

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(MR. AXWORTHY cont'd) . . . . considering that the Honourable Minister holds an M.A. in history, and I believe the first prescription of a history student is to learn from it, why we wouldn't be able to learn from those past experiences, that the intervention or investment of government dollars in areas like that can be much more appropriately and effectively spent than simply the acquisition of future and further and more public works spaces for garages, an environmental laboratory, and God knows how much space it's going to require, and a Court House for the more, I guess, austere and august proceedings of the judicial system.

So, Mr. Chairman, I really think that in terms of looking at the role of this department that it surreptitiously has snuck up on us as being one of the real movers and shakers in this government, perhaps to the chagrin and perhaps eventual dismay of many of us, because it's spending a lot of money now to acquire these spaces and not providing with it any further additional benefits. Even the way of its planning, and the Minister can certainly respond if he likes, even if you had to build this space, it was an absolute necessity that we run off and get Autopac more suitably housed and more garages to fill up whatever it fills up with, then there were a great number of other spaces available even in that downtown area that might have been used and applied.

And I again would raise the issue, whether it's the Urban Affairs Committee or whichever other body made the decisions, why you would go into an area between the Salter Street Bridge and the Arlington Street Bridge, which granted is not a beauty spot of the world but has been largely residential in certain parts of it, aside from the CPR industrial track along it, and if there was going to be redevelopment, why wouldn't it have been in that continuing character, and to plop into it those kinds of four and a half block complex when it could have easily gone into areas which were planned for industrial complexes.

I know the City of Winnipeg spends many hours in the Planning Department wringing its hands along for ways they can attract Federal Government offices into the east Main Street area. Why we wouldn't have joined I suppose the Federal Government and at least have that all one place where we could put all our government facilities so they could all get together and perhaps communicate more effectively, yelling at each other across the square from one another, rather than all of a sudden transporting these provincial civil servants down to Lulu Street. It just strikes me again that once the initial mistake was made, I believe it was a mistake, why we have to compound it again by locating this large complex in an area which is unsuitable for it compared to the other sites that would also be available in the downtown area, or not even in the core area but even outside it within the downtown complex.

And it goes back, Mr. Chairman, again to some issues that were raised with the Minister last year, if he recalls, about what kind of planning takes place in terms of how does the placement and location of government facilities suit or aid or abet the overall development planning of the City of Winnipeg, because it is the largest occupant. And I guess must confess that the signs of much planning going on escape me because it doesn't seem to have much rationale as to where we're concentrating, the government being almost the largest employer in the City of Winnipeg, and I suppose the Provincial Government is now the biggest real estate user in the City of Winnipeg. It has a tremendous capacity just through that instrument alone to affect the development either around this building, in the downtown area, whether it places people on the periphery or on the suburban fringes, and it would seem to me those kinds of decisions should be made according to some concept, plan of action, guidelines at least as to what we're trying to achieve by the very major investment of time and money and resources from the Provincial Government in our city. And again it just seems to me that we've had very little description of what sort of master plan the province may have decided, jointly if you like, with the City of Winnipeg itself as to how it's going to place its facilities to get maximum benefit from those placements.

It again strikes me, Mr. Chairman, we haven't made much progress since our discussions last year in finding ways that we can apply these uses of government resources in a more effective fashion; and I guess the tragedy is that the only initiative that seems

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(MR. AXWORTHY cont'd) . . . . to have been taken of the much heralded core area renewal was an extremely misbegotten venture.

MR. CHAIRMAN: The Honourable Member for Charleswood.

MR. MOUG: Mr. Chairman, I just wanted to ask a question of the Minister and see if he could let us know . . . there's a gathering or a bash of buses put together out near the Fort Osborne area adjacent to the Manitoba Youth Centre, about 50 of them, and I was wondering if the Minister could let us know why they've been there for that period of time, are they up for sale, are they going to be tendered or when they're expected to be moved out of there?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: The school buses are being located there for an auction that will take place soon on behalf of the various school divisions. So that's why they're being marshalled there.

Mr. Chairman, I would like to respond briefly to the honourable member. You know in the Legislative Chamber we have Moses and Solon and I certainly have never thought of myself in terms of Moses, so if you'd compare me to Solon there might be some parallel there, but I see none between myself and Moses, Robert or otherwise.

I would have to remind the member that space is a basic requirement, just sheer raw space for office purposes, in addition to living accommodation people require it. When your senior colleagues in Ottawa established the Anti-Inflation Board, one of the first things that they did, almost the first step that they took, was to go out and lease 100,000 square feet of space, which is of course a considerable block of space, but that was a necessity, they had to make an expenditure, they had to commence their operation by spending money. And the operation of course was established presumably to save money and hopefully they will be successful in that regard.

You know, what are your options? Your options are lease the space or build it. So if you want the space you either go to a commercial developer who puts up his buildings, I don't know where, on what basis he builds them, and you lease them, or the government itself builds. And I have to tell you quite frankly when it comes to that option, I am a builder, I am not a buyer. If I have an option, I will build the government space rather than go out and ask somebody to build it for us. And we could give reasons as to why that is better. In short, I believe that it's cheaper for the government, I believe the government can in fact construct space more cheaply or as cheaply as private developers.

Now when the Provincial Government builds office buildings outside of Winnipeg we are welcomed with open arms. I mean if we announce that we're going to put up a new building in Thompson or in Portage or wherever, then the response is always highly enthusiastic because I think people feel there are benefits - and they must be exactly the same benefits that we're talking about here. There's an aesthetic benefit, there's a new building which people take some pride in. There must be some civic pride. I say that this building is undoubtedly the most popular building in Manitoba, and it's an aesthetic building. It is also a working building. There are hundreds of employees who are working, there are legislators who are working. But in effect, in comparison to the amount of money and to the design of the building, we could have probably constructed this building on one floor and could have cut out all this beautiful aesthetic, much admired structure. Fortunately it was built long ago when maybe imaginations were greater and less cramped than they are today. But we had a choice. First of all either build it or buy it. That was one choice. And then having decided to build the space, we then had the option of where, and of course, I suppose one easy answer is well, build it downtown. Put up these buildings downtown. This complex here, increase the complex, increase the density, etc.

There are certain problems associated with that. There are transportation problems and parking problems, density problems and so on. But the decision was made, and I think it was a good decision, that some of these buildings should be decentralized and that they should be located in some of the older sections of the City of Winnipeg. And those precise locations were worked out between the planners of the

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(MR. DOERN cont'd) . . . . Provincial Government and the City Government and the political leadership of both. They narrowed it down, these are urban planners, presumably people who have some knowledge of urban needs and aspirations.

The member continually says that there's no benefit whatsoever to the area. Well I say that first of all there's a benefit to the city, to the City of Winnipeg, in terms of, I suppose, these points: One is there is an aesthetic benefit, there is a tax benefit, there presumably is a big impact on employment. There are skilled tradesmen, there are labourers, the construction people, there are the people who manufacture steel and brick and lumber and paint and everything else in the City of Winnipeg. There's that effect. And then when the building is actually completed, I think it gives an opportunity to people in the area to work in the neighborhood, if they have those particular skills, or if they have lower skills to work in the capacity of cleaners and labourers, etc., elevator operators, whatever their particular skills are. I don't know how the honourable member feels but I wouldn't doubt that if I offered him a government building of a certain size and character that he would not be opposed to it in his constituency. I know that I myself would be pleased if there were more government buildings in my constituency. I think that in most cases these are welcome. But to simply say that there's no beneficial effect I think is incorrect. I don't know what would satisfy the honourable member in that regard. I suppose a large gymnasium or a new addition to the University of Winnipeg.

I'm a Winnipegger, too, just like you are, born and bred here and I feel that if there is new construction, government construction or construction by the private sector, it certainly has an economic impact on the community as a whole, presumably it has an aesthetic impact and that it should be welcomed in general. Now the impact on a particular house that's being wiped out by somebody who's lived there for 20 or 30 years who has an emotional attachment, which I wouldn't belittle, that person may not feel that it's very beneficial. But I think that the city as a whole is benefiting and that the people in the community may benefit indirectly but that the City of Winnipeg benefits directly.

MR. CHAIRMAN: The Honourable Member for Fort Rouge. The Honourable Mines Minister.

MR. GREEN: I don't want to push the committee but I believe we're on the last item. If it's going to probably carry over then I was going to go and adjourn the House. If it's not . . .

MR. DOERN: In five minutes I think we'll be all finished.

MR. GREEN: Okay, that's fine.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, taking the House Leader's concern, I'd just like to make one short response to the Minister, just to clarify the position. I don't think I'm against construction per se. I am against construction which tries to hide itself as being some large-scale solution to the problems of the core area as it has been heralded and announced by this government. I think that's being a phoney. But I also say, if this government was serious about what it wanted to do in that core area, it could have spent its capital in constructing many other kinds of things than government office buildings and that would still get the construction, still get the jobs, still get the economic activity, but would simply be doing it in a different way.

Take, for example, Mr. Chairman, just off-hand, that a year ago the native community of this city came forward with a proposal called Neeginan, to reconstruct part of the older part of the city as a way of enabling them to acquire some economic stake in the community. It was a proposal of a couple of million dollars I suppose to reconvert part of that area. That proposal has been sitting on someone's desk, somewhere in this building, never seen the light of day. Now that would have had construction to it, would have had economic impact but also would have been an activity of much wider benefit for the people who are occupying that area, whom about 60 or 70 percent are native, than the imposition of buildings. And I again have no requirement to have our provincial civil servants climbing on each other's knee because they don't have space,

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(MR. AXWORTHY cont'd) . . . . but I am really saying that there is a thing called priorities and allocations of capital in different ways. I think we have kidded people in that core area too long, that we come in as great benefactors and do things presumably on their behalf and the only people it benefits are public civil servants or construction firms or whomever it may be, which is fine but doesn't do anything for them. I guess that's the thing that I find most reprehensible about the way this thing has been handled. If someone said we want to build a couple of new office buildings or they think there's dramatic need, then we debate that point; but to try and sell it as a comprehensive plan of renewal I just think is really not being either totally forthcoming or fair, and simply say if this government really wanted to do things in the core area to help people then it could put its money in a lot different ways and a lot more effective ways.

MR. CHAIRMAN: Resolution 102(a)--pass. Resolution 102: Resolved that there be granted to Her Majesty a sum not exceeding \$1,973,800 for Public Works--pass. That concludes the consideration of the Department of Public Works.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has passed certain resolutions, directed me to report same and asks leave to sit again.

IN SESSION

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

MR. WALDING: Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that the Report of the Committee be received.

MOTION presented and carried and the House is adjourned and stands adjourned until 10 a. m. Friday morning.