

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 20 March, 1980

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the honourable members' attention to the loge on my left where we have Mr. Laverne Lewycky, Member of Parliament for Dauphin constituency.

We also have 50 students from Grade 9 to 11 Standing from the Ross L. Grey School in Sprague, under the direction of Mr. Norman Sprague, and this school is in the constituency of the Honourable Member for Emerson.

We have 10 students of Grades 7, 8 and 9 Standing from the Hugh John Macdonald School, under the direction of Mr. Sinclair. This school is in the constituency of the Honourable Member for Winnipeg Centre.

We have 70 students of Grade 9 Standing from La Verandrye School in Portage, under the direction of Mr. Wickberg. This school is in the constituency of the Honourable Member for Portage.

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

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

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable Minister without Portfolio.

HON. EDWARD MCGILL (Brandon West): Mr. Speaker, members will be pleased to know that the officers and directors of the Royal Manitoba Winter Fair in Brandon have again extended an invitation to the Members of the Assembly to join with them at this year's showcase of agriculture in Manitoba and, Mr. Speaker, through your office, these arrangements are being made with the consultation of the House Leader and the House Leader of the Opposition. I believe that the date is Wednesday, April 2nd and that arrangements have been made that the House will not sit on that day in order that members may be able to journey to Brandon and to take part in this observance.

I believe that the bus schedule is for 11:30 departure at the Legislature, but I would expect that the precise details of the visit and the times will be circulated to the members in advance of Wednesday, April 2nd. Thank you.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I wonder if I might ask leave to make a brief statement concerning the runoff predictions, that through an oversight I don't have the copies with me for distribution, but I would see that they were distributed to the members as soon as possible.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: On a point of order, Mr. Speaker, I do not believe we are under Ministerial Statements yet, and if that is the case, the Honourable Minister has about five minutes in which to get copies. It only takes a minute to run it through the Xerox.

MR. SPEAKER: Shall we wait then for the copies to be brought in?

MR. RANSOM: I'm sorry, Mr. Speaker, I thought the honourable gentlemen opposite didn't wish to give leave and so I sent the copy out to get some copies made. We'll distribute them later then, Mr. Speaker.

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MR. SPEAKER: Ministerial Statements and Tabling of Reports. . . Notices of Motion. . . Introduction of Bills. . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, my question is to the Minister responsible for the Environment pertaining to the answers which the Minister provided to us this past Tuesday, pertaining to the existence of PCBs in the City of Winnipeg. Can the Minister indicate to the House when the isolation of the PCBs took place after the discovery of same in October of 1979 by his department?

MR. SPEAKER: The Honourable Minister of the Environment.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, when we were advised of the presence of PCBs at J. Werier and Company, we had advised him that there would be disposal companies in the area if he wanted to make arrangements to have the product removed from his present. And a follow-up investigation on February 15, we noted that the PCBs were still in the storage area in which we had asked him to place them, and to the best of my knowledge, that material is still in storage.

MR. PAWLEY: It was difficult to hear so I may have not heard the Minister properly but can the Minister confirm that the isolation of the PCBs to separate storage did not take place until late February or early March of this year?

MR. JORGENSEN: I can't advise my honourable friend precisely the date that they were removed. I will have to check into that. All I know is that he was advised to place them in separate storage and they are currently in separate storage.

MR. PAWLEY: Mr. Speaker, if the Minister could answer now or he may wish to accept this as notice, as to whether or not the removal of the PCBs into separate storage did not in fact take place at the behest of the City of Winnipeg Health Department rather than at the behest of his department.

MR. JORGENSEN: The information, Mr. Speaker, is that we advised him that he was to remove the PCBs into separate storage and he was provided with the technical information and the requirements. He was provided with the proper labels for the drums and he was also provided with the names and addresses again of disposal companies which he could contact in order to dispose of them.

MR. PAWLEY: Mr. Speaker, again the Minister may wish to accept my question as one on notice. Is the Minister in a position to assure this House that none of the PCBs in fact had leaked from any of the containers and that in fact each of the four containers were full and there had been no leakage of any PCBs during the period of time from the discovery by his department until such time as the PCBs were transferred into isolated storage?

MR. JORGENSEN: I have been advised, Mr. Speaker, that the drums are wrapped in plastic material and they are not leaking.

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

MR. FOX: Mr. Speaker, on a point of order. Having noted that the Minister of Environment now has copies, we are prepared to revert to Statements so he can make his announcement.

MR. SPEAKER: Order, order please. It's very difficult to change the format once we have established the procedure we're in.

The Honourable Leader of the Opposition.

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MR. PAWLEY: Mr. Speaker, I would like to pursue my area of discussion with the Minister. Can the Minister advise as to what system presently exists pertaining to monitoring of the PCBs, whether same is being done on a regular basis and to ensure against disposition or leakage, and advise as to whom is responsible for the present monitoring if same exists?

MR. JORGENSEN: Mr. Speaker, that is a question that I believe that I will have to seek more information on. I am not sure that I can provide precise information that my honourable friend has asked for and I would prefer to take it as notice.

MR. SPEAKER: The Honourable Member for River Heights.

MR. GARY FILMON: Mr. Speaker, my question is to the Minister of Natural Resources. I am wondering if he might be able to give us an update on projected flooding conditions in southern Manitoba at the present time.

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

MR. FOX: Yes, Mr. Speaker, I believe you made a ruling on that and I believe the Rules of the House are that we do not repeat something on which we have already made a decision on in this House.

MR. SPEAKER: The Honourable Member for Kildonan in my opinion did not have a point of order.

The Honourable Minister of Natural Resources.

HON. RANSOM: Mr. Speaker, I thank the Member for River Heights for asking that question.

MR. SPEAKER: Order please. May I suggest to the honourable member that if he has a point of order he should raise it at the end of the question period, or if it's sufficiently important he can raise it now.

The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Speaker, I understand it is customary under our rules, as well as under Beauchesne, that a point of order must be raised immediately that it arises and I am arising on a point of order. I wish to remind you, Mr. Speaker, that you have admonished members of this House on several occasions previously that answers to questions are not to be of considerable length. My point of order, Mr. Speaker, is to suggest to you that you assure yourself that the answer coming from the Honourable Minister is not intended to be of inordinate length.

MR. SPEAKER: Order please. Members anticipating things, I suggest to them, have not a legitimate point of order.

The Honourable Minister of Natural Resources. The Honourable Member for Rupertsland on a point of order.

MR. HARVEY BOSTROM: Mr. Speaker, on the point of order, it appears as though the Minister is now attempting to do something which he was not able to do under Ministerial Statements because . . .

MR. SPEAKER: Order please, order please. The honourable member has no point of order.

Does the honourable member wish to bring forward a point of order? Let him proceed.

MR. BOSTROM: The point of order is, and the House Leader in this House appears to think that points of order should not be raised by this side. Mr. Speaker, the point of order is that if a Minister is making a Ministerial Statement to the House he should be providing copies to the House, and this side should have the opportunity to respond to that Ministerial Statement.

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MR. SPEAKER: Order please, order please. I have ruled out any Ministerial Statements today.

FLOOD REPORT

The Honourable Minister of Natural Resources in answer to a question.

MR. RANSOM: Yes, Mr. Speaker, I wish to thank the Member for River Heights for asking the question and giving the people of Manitoba an opportunity to know what's taking place. I can simply respond, Mr. Speaker, by saying that the information that is available in detail form will be released to the media at about this time, but very briefly, the prospects for any type of flooding on the Red, the Assiniboine, of the magnitude that we experienced in 1979 would be considered as less than 1 percent. There is some opportunity for - opportunity is not the correct word - some possibility of slight flooding in the western part of the province where precipitation this winter has been heavier than normal. But, in general, the outlook is very favourable for not having any significant flooding.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker, my question is to the Honourable Minister of Natural Resources. Is the Minister aware that . . .

MR. SPEAKER: Order please. May I suggest to the honourable member that she rephrase her question. Questions of awareness are highly unparliamentary.

MRS. WESTBURY: Oh, I'm very sorry, I was not aware of that, Mr. Speaker. Would the Honourable Minister comment on reports to the effect that a draft memorandum of understanding has been prepared, which is proposing that the Garrison Diversion cover an acreage of 328,000 acres, as opposed to the 96,000 acres which was the recommendation after Canadian and Manitoban representations had been made; and which is an increase over the original proposal of 250,000 acres which were protested so strongly; and that the Secretary of the Interior has requested \$12 million to keep this on hold? Would the Minister be kind enough to comment on these?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Mr. Speaker, first of all, I just would like to correct one piece of misleading information in the honourable member's question, and that is that the 96,000 acre proposal of the Interior Department was put forth after consultation - whatever the word the honourable member used - was between Manitoba and the United States. Such is not the case, that recommendation for a 96,000 acre project was put forward on the basis of internal discussions and disputes within the United States. There has in fact been no official consultation as was recommended by the International Joint Commission. Manitoba's position, which was Canada's position as well and was firm'd up last March, approximately a year ago, was that we do not want any water from the Missouri drainage to be transferred into the Hudson Bay drainage, whether it's from a 96,000 acre project, a 250,000 acre project or a 328,000 project. That position, Mr. Speaker, has not changed.

MRS. WESTBURY: Mr. Speaker, I thank the Minister for clarifying my misunderstanding on that. Since the action group against Garrison and the National Farmers Union are going to Washington in April to protest the project, is the government planning to give them any moral support or letter of introduction or any financial support towards the cost of the journey to Washington in order to ensure that the views of individual Manitobans are put forward at the meetings?

MR. RANSOM: Mr. Speaker, Manitoba's position on Garrison has always been one that has been a reasonable one in the early stages of consideration of the project. It was a non-partisan issue at that time; I believe it continues to be a

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non-partisan position as we have moved towards the position of simply not wanting any transfer of water from the Missouri to the Hudson Bay drainage. We are very pleased to see individual people and individual organizations making the views of Manitobans known to the United States and to the citizens of the United States. We think that that should be done at arm's length from government. We would not want any perception that government was in any way the backers of groups that are standing in opposition to the Garrison project, and while we commend them for the action that they are taking, it is not my intention to provide any sort of financial assistance.

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

MRS. WESTBURY: Mr. Speaker, would the Minister then advise the House whether he is providing them with any letters of introduction or any kind of moral support along that line?

MR. RANSOM: Mr. Speaker, they haven't asked for letters of introduction, for one thing, and I daresay they don't need letters of introduction and I daresay they would be better off without letters of introduction from the government because they are standing on their own as organizations who have taken a stand to protect the interests of Manitoba; and surely those organizations have sufficient merits in their makeup to be able to stand on their own.

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

MR. SAMUEL USKIW: Mr. Speaker, I would like to ask the Minister of Finance whether he can indicate to the House whether the government is prepared to introduce measures at this session that might in some way alleviate the high interest rates and in particular with respect to home mortgages?

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, the member's question, of course, is very timely because of the increase again in the effective prime rate of the Bank of Canada, which is no longer called by that name. The problem does become one of increasing concern and is being examined by the government in Manitoba despite the fact that we have no control over what is happening at the federal level. It is still under consideration. If and when there is something to be announced, the member will be the first to know of it.

MR. USKIW: Would the Minister elaborate whether or not the government has under consideration measures to alleviate the interest rates for homeowners, as well as for the small business community of Manitoba, or whether it is just restricted to the homeowners, or the mortgages on homes?

MR. CRAIK: Well, Mr. Speaker, if such a program is undertaken, as I said, the House of course will be the first to hear of it.

I wonder if I could reply to the member's question from yesterday regarding the interest rate to the provincial agencies. The last rate established was in January, it was 12 percent, and the next one will come due in April within a matter of a couple of weeks and it would be reasonable to expect, as I indicated yesterday, that with the current Canadian rate being roughly 14 percent, that the rate to the agencies which is adjusted quarterly, would be somewhere of that order. The usual format is to put the rate at roughly one-eighth of one percent above what the government could borrow on in the Canadian market.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Speaker, my question is to the Minister of Resources and relates to the Garrison Diversion Project. Can he update us as to the impact, the potential impact, of this recently announced agreement between the U.S. federal and North Dakota State governments, which will increase the size of the Garrison

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Diversion Project? A specific question, Mr. Speaker, will this recently announced increased size make it more likely that waters from the Garrison Diversion Project will in fact enter the system of waters in Manitoba?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Mr. Speaker, I would like to make it clear that I do not have any detailed information on the alleged memorandum of understanding. Information that I have is that which is available to all members, as reported in the media today. Any efforts that I have made, to this point, to gather information have been fruitless. I expect we will, probably within hours, be able to gather some additional information.

I also understand that when Governor Link was asked about the existence of a memorandum of understanding, he indicated that he didn't know anything about it. I would suggest that the report at this time is highly speculative and until we know some details of it, I am not in a position to comment. Beyond what I said before and which I must therefore reiterate again since the member has asked the question, we do not want any Missouri water in the Hudson Bay drainage, whether it's from 96,000, 250,000, 328,000 or whether it's from one acre. If there is a transfer of water, we see it as potentially being extremely damaging to Manitoba's interest and we don't want it.

MR. BOSTROM: Mr. Speaker, can the Opposition in this House and the people of Manitoba be assured that we will have better action in this matter than we've seen from the Minister of Environment in this government?

MR. RANSOM: Well, Mr. Speaker, I think that's rather a revealing comment. It isn't really a question, I guess. It should be eminently evident to anyone that to date the position that the former government had taken and the position that the federal government had taken and that our government had taken, has been successful because in fact there has been no transfer of water from the Missouri basin into the Hudson Bay drainage basin; and as long as the discussions are taking place within another sovereign state, it is not Manitoba or Canada's responsibility to interfere. When there is some position indication that Manitoba's interests are being threatened, then we will take additional action. We will reinforce the position that we have taken to now. On the basis of a speculative report, which the honourable member evidently cannot cast any light on, we are not able to make any further statement than we have made to this date.

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

MR. BOSTROM: Yes, Mr. Speaker. My question specifically to the Minister then, will he endeavour to investigate this matter to ensure that the federal government of the United States and the North Dakota state government are not making plans which will be detrimental to the water system in the Province of Manitoba?

MR. RANSOM: Mr. Speaker, I expect that the honourable member was aware of all of the studies that took place, the activities that took place while he was in government. I can simply assure him that our government has simply continued with an extension of the positions that were being developed by the government of which he was a member and that we are taking every action that we think is proper for a provincial government, in concert with our federal government, to take and we are conforming with the recommendations that the International Joint Commission made with respect to this problem. We have taken action to make our views known directly to the executive level of government and to Congress and to the Senate in the United States, as the House will recall, when our First Minister made direct representation some year and a half ago. I would like to assure the honourable member and to assure all the people of Manitoba that our government will continue to do whatever is right and proper for us to do to protect the interests of Manitoba.

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MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, to the same Minister. In view of the difficulty that the Minister is having obtaining information, does the Minister consider it of any value to contact the federal government, which the primary agency in connection with this matter, to see whether the further intervention of the International Joint Commission, or the obtaining of information by the International Joint Commission can facilitate the Minister's present difficulty with regard to what is presently happening?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Mr. Speaker, I'm not sure how much difficulty we are really encountering in finding out the information. The press reports, the media reports, only were made this morning and I would expect that we will have additional information fairly shortly. We certainly will use the avenue of the federal government, as we are using other avenues, to attempt to get at the facts behind the alleged change in the proposal. It's conceivable that it doesn't include the Hudson Bay drainage. It could be a project that is entirely within the Missouri drainage. Until I have that information, it's impossible to do more than speculate and I don't think that that would be particularly productive.

MR. GREEN: Yes, Mr. Speaker, I would like to direct a question to the Minister of Health. Has the Minister of Health received any information to the effect that the people in Notre Dame de Lourdes have now lost their medical practitioner because of the difficulty between him and the hospital unit in the area?

MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Yes, Mr. Speaker, the information was conveyed to me this morning that the doctor in question at Notre Dame has resigned.

I would also take this opportunity to respond to the Honourable Member for Inkster with respect to a question he asked me last week and I think I said by early in the week I might have more information. Unfortunately my only response can be one of still assuring him of awaiting information, awaiting the results of an investigation that has been undertaken at the request of the board and at the request of my office to satisfy all parties that proper medical ethics were observed and proper justice was done.

MR. GREEN: Yes, Mr. Speaker, in view of the fact, which I'm sure the Minister will accept, that the loss of a medical practitioner, particularly in a rural community, is a rather serious development, is the Minister able to do anything to see whether the situation, as between this doctor and the health unit, can be conciliated so that there will be no interruption of the doctor's services. In other words, is the resignation something that can be looked into by good offices of the Department of Health to see whether there can be any change?

MR. SHERMAN: Well, I've tried to acquaint myself with the facts of the matter, Mr. Speaker, as they have been available up to this point. There is a strongly held and legitimate polarization of opinions as between the board and the doctor in question. Neither side is happy with the other side. I think perhaps that that is the most discreet way that I can put it at this point in time. But the question that the honourable member raises still requires to be addressed and every effort will be made to help the board of Notre Dame recruit another doctor as quickly as possible and to supply service on a temporary basis during the interim.

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

MR. GREEN: Yes, Mr. Speaker. The Minister indicates that efforts will be made regarding recruitment. I ask the Minister specifically as to whether there

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is anything that his department can do to try to conciliate as between the doctor, who I understand is very well respected by the people of Notre Dame de Lourdes, and the unit so that the resignation be reversed, that one not accept the fact that there is no possibility of resolving the dispute.

MR. SHERMAN: Well, Mr. Speaker, I'm not optimistic that the dispute can be conciliated. I will assure my honourable friend that I will make a further request of both sides to see whether peace can be achieved but the board is the primary authority in this kind of situation and the board has not asked me to intervene. I will be in communication to see whether they would like me to attempt some kind of a role of mediation along the line that the honourable member suggests.

I must say, from my knowledge of the case, Mr. Speaker, I'm not optimistic that there will be either a retraction of the doctor's decision or a retraction of the position that the board took in support of the administrator.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, in response to some earlier questions from members of the Opposition, relative to the Ackland inquest. I wish to advise members that a decision has been made, that my department will make an application as soon as possible to the presiding judge to re-open the inquest to hear additional relevant evidence relating to the fatality.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to commend the Attorney-General for that statement and that action. I would like to direct a question to the Minister of Community Services. Since the government's funding of day care centres is inadequate due to inflation and rising costs, and may force parents to remove children from day care centres throughout the province, would the Minister consider providing additional financial support to day care centres?

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, without accepting the statement that the financing is inadequate, I would remind the honourable member that the amount of money going to day care centres this year has been increased by 12 percent, which is over half a million dollars and to date I've had no indication that there is a reason that people will be pulling children out of the Day Care Centre Program.

MR. DOERN: Mr. Speaker, I would ask the Minister why the government did not provide an increase in the \$2.00 per day maintenance grants which have been frozen at the 1976 level and which are, according to prominent spokesmen and directors of day care centres in Manitoba, the crux of the problem.

MR. MINAKER: Mr. Speaker, firstly, Manitoba is the only province at the present time that has a universal grant in the day care system of \$500 a year, and I think it is incorrect to increase the maintenance rate of \$500 per year to provide spaces for families who have two incomes and may be earning \$40,000 or \$50,000 or \$60,000 a year and ask taxpayers, who are earning \$15,000 with their children at home and being looked after their mother, to pay towards this subsidy any further than \$500 a year.

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

MR. DOERN: Mr. Speaker, my concern is with lower and middle income families, and I say to the Minister that there is a concern that's been expressed publicly by the people who are in the business, that the present per diem will be a burden and will result in lower enrolments in day care centres and will ultimately lead --(Interjection)-- I ask the Minister this for the benefit of the Minister of Government Services, whether he has any concern as the people in the

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business that there is now going to be a deterioration of day care in Manitoba, as we know it; and some people have even suggested that this will even lead to the destruction of day care centres in Manitoba, as we know it.

MR. SPEAKER: Order please. I suggest the question is argumentative.

The Honourable Member for Rhineland. The Honourable Minister of Government Services.

MR. MINAKER: If I could answer that question that was raised by the Honourable Member for Elmwood. I would like to suggest to the honourable member that we are concerned about the low and middle income people in Manitoba, and that is why we increase the salaries that the families can earn that are subsidized by 8 percent this year. As a matter of fact, a two-parent, two-children family can earn up to \$19,870 per year, and that's their net take-home pay after they've had their deductions taken off their cheques. That is the point where the subsidy is cut off, so that we are concerned about the low and middle income people.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN: Thank you, Mr. Speaker. My question is to the Minister of Natural Resources, I wonder if he could tell this House whether he has been contacted by a delegation from North Dakota that would like to come to Manitoba to discuss the Garrison Diversion.

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. RANSOM: Yes, Mr. Speaker, I can inform the member that there will be a group of legislators from North Dakota - I think termed a Legislative Overview Committee - that some weeks ago asked for an opportunity to meet with the government and, I presume, explain their position to us with respect to events leading up to the Garrison controversy and issues that are now taking place. And we have agreed to meet with them in the building at 10 o'clock, next Tuesday morning. I would like to make it clear that this is simply for an exchange of information, at their request. It should in no way be construed as being any official negotiation or consultation over the issue and so far as I know, is unrelated to the alleged memorandum of understanding which has just recently been discussed in this Chamber.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker, my question is to the Minister of the Environment. Can the Minister confirm that the federal government provides a 24-hour Canadian Transport Emergency Centre number which provides information and advice in respect to transportation accidents; and can the Minister further confirm that the Province of Manitoba has never been in contact with this emergency centre in regard to the vinyl chloride spill at MacGregor?

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

MR. JORGENSON: Mr. Speaker, it would seem to me that my honourable friend is still unaware of the fact that the spill, the accident, is the responsibility of the federal government through the CNR. If they choose to contact that agency for assistance that was their responsibility, not mine, and I don't know whether the CNR contacted them or not. I know that there was a chain of command that took place, which takes place at every accident. Division headquarters are notified and from there on notification goes to various people, and through that series of notifications, our department was notified. Now, whether or not they contacted the federal group, I cannot say, but I know that they were on the scene.

MR. COWAN: Yes, thank you. Can the Minister take this opportunity to officially confirm that the total estimated gallonage spilled at the MacGregor site is approximately 12,000 gallons, and can the Minister indicate how much - if that information is available, Mr. Speaker - how much of that spilled vinyl chloride has already evaporated into the atmosphere and how much of it is estimated to remain on the ground?

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MR. JORGENSEN: Mr. Speaker, I hesitate to provide that information, since it is the responsibility of the CNR to provide it, and all I can do is repeat what the Vice-President of the CNR had said the other day that there were approximately 12,000 gallons that had leaked out, 3,300 gallons from the leak in the valve and the remainder from the other car. They have the figures, I have not measured the cars. I can only take their word for what they say the spill amounted to.

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

MR. COWAN: Yes, thank you, Mr. Speaker. The second part of that question was if the Minister can indicate how much of the spilled vinyl chloride has already evaporated. Can the Minister indicate if further testing and further ambient air monitoring for vinyl chloride levels will continue to determine how fast the vinyl chloride is evaporating and how much of it remains on the ground, and can the Minister give us some time-table as to how long that testing will continue?

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

MR. JORGENSEN: My understanding, Mr. Speaker, is that the testing will continue until there are no further readings, and how long that will take I cannot tell my honourable friend.

MR. SPEAKER: Order please. The time for question Period having expired, we will proceed . . .

The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, I wonder if I could have consent of the House before Orders of the Day to revert to routine proceedings so that I can table Manitoba's presentation today to the Health Services' Review Committee, chaired by Mr. Justice Emmett Hall and the background information to that presentation.

MR. SPEAKER: Has the member got consent of the House? (Denied) I'm sorry, the Minister does not have the consent of the House to table at this time.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Attorney-General.

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

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

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - HIGHWAYS AND TRANSPORTATION

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. 4.(a). The Member for Ste. Rose.

MR. ADAM: Yes, when we adjourned yesterday, Mr. Chairman, I was questioning the Minister on last year's appropriation and I was trying to clear up figures on the special warrants that were issued, or requested, last year, which were added to the last year's appropriation and I wanted to know whether all these funds were expended. As I understand it, if I took the figures down correctly, that of the \$6.598, I think the Minister said \$6.6, of that \$6.598, \$2.816 was used for maintenance, which would bring the figure up from \$32,175,000 and adding

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the \$2,816,000 would bring it up to \$34,981,000 or almost \$35 million. Is that correct?

MR. ORCHARD: Well, Mr. Chairman, the reason why I always say approximately, I don't deal in exact numbers, and as the member can well appreciate that anything that appears in any figures that we have for this fiscal year which is not ending for another ten days, any figures that we present are the best possible guess that we have; and that includes the special warrant. When that special warrant was drawn up the first part of January that was the best guess we had as to what we thought we would need to finish out this year till March 31. That's why I always don't give exact numbers because it's impossible to give exact numbers. The only time you can give exact numbers is when you go back into the Public Accounts book and that is the final audited statement for the department's expenditures and of course that won't be available for six months from now. So, you know, in terms of using approximate figures, that's my rationale behind it. You can't give exact figures.

MR. ADAM: Yes, well, I accept that as \$6.6, the Minister said, you know, that's fine. Are my figures correct then that \$2.816 . . . I wish the Minister would verify whether it's \$2.816 or \$2.860? I want to verify that figure because I believe the Minister did answer some questions to the Member for St. Vital and I just want to get that figure correct.

MR. ORCHARD: I wouldn't know which one I used because, as I mentioned, a \$50,000 variation may seem pretty dramatic, but it's not very much when you are dealing with approximately a \$35 million appropriation at this stage of the game before we finish our number crunch at year end.

MR. ADAM: Well, whichever figure it is, if the figure is 52.860 or if it's 2.816. Is that correct, either one? Is either one of those figures - does that bring it up - is that what was taken out of the Special Warrants for Maintenance?

MR. ORCHARD: That's the ballpark figure, yes, Mr. Chairman.

MR. ADAM: So that would leave, we'll say, 3.584 out of the Special Warrants - well, roughly, a ballpark figure. 66 is the figure for the Special Warrant, 2.816 or 2.860. The balance is 2.58, okay. Now, where did this money go; what was this used for?

MR. ORCHARD: Mr. Chairman, there's a number of things. There is over \$2 million in construction, actual highway construction.

MR. ADAM: There's 2 million...

MR. ORCHARD: 2.3 million, to be . . .

MR. ADAM: 2.3?

MR. ORCHARD: In rough numbers, yes.

MR. ADAM: Of the Special Warrants was added to the 68.3; is that correct? So that leaves us now with 1.284.

MR. ORCHARD: Well, I forget the exact figure but there's approximately \$950,000 in salaries that was in the Special Warrant to be added in.

MR. ADAM: To be added into the salary part of it. That came under Special Warrant?

MR. ORCHARD: Yes, that's right. That always comes under Special Warrant, because you never make a sufficient appropriation at the beginning of each year's Estimates to cover the settlement you end up having to agree upon with the Civil Service and MGEA.

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MR. ADAM: That leaves us now, Mr. Chairman, with roughly \$300,300.00.

MR. ORCHARD: There's a number of things - there's winter roads and transportation services - have all picked up little bits and pieces.

MR. ADAM: I see. Some of it went into the winter works roads. Can the Minister give us a breakdown so we can transfer, not the small amounts, but I would imagine the largest portion of it went to the winter roads. That's about 50 percent of that appropriation, which would leave us almost \$200,000 to account for yet.

MR. ORCHARD: Well, then there's special warrant for stockpile of bridge materials and gravel supplies and that, as well.

MR. ADAM: That would cover the \$200,000 pretty well?

MR. ORCHARD: You see, we run into a problem here where we have got an overlap. Part of the maintenance over expenditure was due to salaries which you've got lumped in at \$950,000, a part of the net \$2.8 was salaries, so that the \$950,000 should be left. You're not going to come up with an exact figure doing it this way, because you know that salaries are a portion of all the appropriations.

MR. ADAM: Did I understand correctly or am I incorrect? I understood that in the Minister's reply to the Member for St. Vital when he was questioning this special warrant the other day in the reconciliation, whether there was not a part of this - and I believe the Minister answered me with the same answer when I asked him if this was all expended - and I of course was asking about the \$32 million - and the Minister said, yes, that's all expended but not the special warrant. I understood the Minister the other day, and I stand to be corrected of course, I understood from his answer to me yesterday that part of this was not expended yet. How much is it?

MR. ORCHARD: Only, Mr. Chairman, what we're going to expend over the next ten or eleven days. And it may be, and we don't know yet, but it may well be that the month of March was a very gentle month which we didn't anticipate back in January when we wrote up the special warrant, and maybe we'll have \$100,000 or \$200,000 saving and have a major saving in the special warrant, that appropriation we made. We won't really know that until we finish the actual maintenance year. That's why, Mr. Chairman, we can never be specific dollars and numbers. When we come to Public Accounts, we will have the exact figure. We will know whether our budgeting on the special warrant provision was correct back in January after we finish the year end and we've got our full winter maintenance months and time behind us and accounted for.

MR. ADAM: At the end of the fiscal year, whatever what is unexpended will be lapsed and go into general revenues. Correct? And if there is a shortage of funds, there will have to be a special warrant issued. Is that correct?

MR. ORCHARD: Yes.

MR. ADAM: Okay. I want to move to the other. . .

MR. CHAIRMAN: 4.(a). . .

MR. ADAM: Just a moment, Mr. Chairman, before you leave. . . There is other components of the maintenance, such as ferries and airports and so on.

MR. CHAIRMAN: That would be found under (e) probably.

MR. ADAM: Where?

MR. CHAIRMAN: (e), (d) and (e) maybe.

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MR. ADAM: Marine Service. Before we move away from this item, the Minister said we have 12 district offices. Could the Minister give us a breakdown of how much maintenance work was put into each of the district offices?

MR. ORCHARD: Mr. Chairman, the department hasn't made the division of the maintenance budget by district office.

MR. ADAM: Mr. Chairman, it seems to me that if Dauphin requests - is there not a breakdown in order to keep tabs on what each district office is doing and where the expenditures are going? Are there no records of that?

MR. ORCHARD: Mr. Chairman, each district office's budget is calculated each year. But it involves not only maintenance, but many of the other programs that the office undertakes, which are part and parcel of other appropriations. We can give him the amount of money that each district office expends; that is, I believe, readily available, is it not?

MR. ADAM: Yes, I would certainly like to have those figures. If you're going to give me a global figure of all the activities that take part in Dauphin, you have the sign manufacture and all these other components. It would seem to me, Mr. Chairman, that if we are not doing that, that we should be keeping track of how much maintenance work was done in a particular district, how many roads were - how much snow we had to plow, and so on. It seems to me that we should be able to get figures for that. I would think that that would be a good way of keeping track. If that is not kept in that way, it would appear that there is a possibility that a district office could juggle funds around.

The Minister shakes his head. Now, if my statement is incorrect, then perhaps he would be able to tell me whether that could happen or not. Then he must have a figure for each expenditure.

MR. ORCHARD: You see, with each operation that a Highways district office undertakes, there is - for instance, on patching, there is a patching crew for a district office, and that sort of thing - and we make cost comparisons between different crews to assure that a crew is operating within a guideline in terms of patching per square yard, the cost per square yard. We operate an overall cost control. If we see District 11 coming in at \$40.00 per yard patching cost and District 3 at 25, and District 3 is closer to the average cost, we're going to jump on somebody in District 11 for not following the procedure properly.

That's how we cost control within the district offices to make sure that no office is operating inefficiently.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Well, all the more reason, then, for my suggestion that we should have a breakdown of how much maintenance each district office is doing, whether they're going over their Budget on maintenance and the reason for it. It seems to me that this should be available on request. --(Interjection)-- We're on maintenance.

MR. ORCHARD: Mr. Chairman, the Deputy advises me that we think we can up with the dollars spent on maintenance by each district in total, if that figure would help him.

MR. ADAM: Well, I would prefer to have a breakdown from each district for the maintenance. That's what I'm asking for.

MR. ORCHARD: Well, that's just what I said.

MR. ADAM: And I'm wondering why it's taking so long to . . .

MR. ORCHARD: We don't have it.

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MR. ADAM: Well, I know you don't have it, but I'm saying, why it should take so long to get the Minister to agree to provide that information. I'd like to get a breakdown on what each district office is spending on maintenance and I would like a breakdown on the other items, too, as we go in, Mechanical Division, and so on, warehouse, whatever. We should have a breakdown on it. Because we're not talking \$50,000 - as the Minister said, it isn't very much - we're talking about \$35 million and so on. But I want to say, Mr. Chairman, that from time to time the Minister has - not only this Minister, because we haven't tested this Minister yet on that particular point - but I know that experience tells us that the Minister undertakes to provide information, well, yes, we'll get it for you and bring it in, and it never comes through, and we never follow it up. A lot of times they say, well, we'll provide the information for you, but it never seems to get back to us. So I would hope that the Minister will be able to provide, this and could I know when we could get this information?

MR. ORCHARD: Mr. Chairman, the Member for Ste. Rose has my personal assurance that we will provide that information for him before we can compile it.

MR. ADAM: Pardon me, that you will . . .

MR. ORCHARD: When we can compile it, it will be made available to you.

MR. ADAM: Okay. Yes, then perhaps, before we move away, I did speak about the staffing of 771 - is there any part of this staff that are not covered by MGEA or union contract? Are there any that are excluded from the contract, and if not, is there any plan to remove any part of those 771 hourly employees, is there any proposal to remove them from the union bargaining?

MR. ORCHARD: Well, I'll just wait, Mr. Chairman. Notable questions.

MR. ADAM: All right, then, we can move away from that. Perhaps the Minister could give us an overview of what's happening in the airports and . . .

MR. CHAIRMAN: Again, we get a committee - (b) is Airports. Okay, then, (a) . . .

MR. ADAM: Well, just a minute. I believe one of my colleagues wants to ask a few questions.

MR. CHAIRMAN: The Member for Point Douglas. Yes?

MR. DONALD MALINOWSKI: Mr. Chairman, I would like to ask the Minister concerning Highway 44, which is leading north from Winnipeg to, say, Selkirk. It was brought to my attention that it is a four-lane highway, but the shoulders are in very very bad shape. Is the Minister contemplating to put new shoulders down there, or repair this piece of highway between Winnipeg and Selkirk? This is a four-lane highway, almost.

MR. ORCHARD: There are no construction plans for - and I believe that's not 44, but rather No. 9.

MR. MALINOWSKI: Oh, no, no, no, 44. No, no, Mr. Chairman, there's Highway 44 that goes from Winnipeg to Selkirk.

A MEMBER: Have you got a map?

MR. ORCHARD: Would you care to have a . . . You see, that's going east, Pete.

MR. ADAM: Yes, just hold it for a minute. I'll take this question. In regards to the Maintenance Program, it would appear that with the special warrants that were provided last year in addition to the regular appropriation, we had a

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bigger maintenance last year, than we will have this year, if there's no further appropriation. Is that correct?

MR. ORCHARD: Yes, Mr. Chairman, that's correct. But then, if one follows the reasons for the special warrant on maintenance through, last year we had a bigger flood that we're going to have this year, and last spring we had a dirtier spring than we're going to have this year. That is one of the unique features of trying to budget a program which is a lot dependent on the weather.

MR. ADAM: But it's still only the \$2.8 million that we can attribute to the extra costs of flooding and so on, is that correct?

MR. ORCHARD: By and large, that's the additional cost. The flooding and the additional snow for the month of April, which is in 1979-80 budget year, last year - April of last year.

MR. CHAIRMAN: 4.(a)--pass. The Member for Point Douglas.

MR. MALINOWSKI: Mr. Chairman, I would like to apologize. Yes, you were right. I was thinking about Highway No. 9 and talking about No. 44. Actually, this is No. 9 and, as I mentioned previously, that it was brought to my attention that really not only a right line, but also the shoulders on both sides are very very dangerous, and many holes and those kind of things. So, I would like to ask the Minister if he is contemplating to fix, to take care of it, because this is under Maintenance.

MR. ORCHARD: Well, if there's holes in the shoulders, certainly . . .

MR. MALINOWSKI: In the shoulders, close to the main strip of highway.

MR. ORCHARD: Right, that's not unusual over the winter period to have that kind of pothole development on your shoulders. That will be brought back . . .

MR. MALINOWSKI: I know that this is a normal thing, but is the Minister is contemplating to fix, to take care of it?

MR. ORCHARD: Well, Mr. Chairman, per chance, if the honourable member would have given me a chance to finish, I would have indicated to him that such repairs of the shoulders are a normal maintenance program that we undertake in the summertime, and that will be done.

MR. MALINOWSKI: During the summertime?

MR. ORCHARD: Certainly.

MR. MALINOWSKI: So, specifically, are we talking about June, July?

MR. ORCHARD: Well, Mr. Chairman, each district office knows the kind of maintenance work it has to do, and they schedule it according to the area of greatest need and the area of greatest repair. They're going to repair the most urgent things first, the least urgent things last. And I can't tell the member whether the shoulders on No. 9 Highway are their No. 1 priority in the Selkirk or their No. 25 priority. But they will be repaired this summer.

MR. MALINOWSKI: They will be repaired. Okay, thank you. A further question.

MR. CHAIRMAN: 4.(a)--pass. . . The Member for Point Douglas.

MR. MALINOWSKI: One moment. On the same highway, Mr. Chairman, I notice we have two very sharp turns. Is the Minister also thinking to maybe straighten this kind of a thing?

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MR. ORCHARD: Well, Mr. Chairman, there's no plans in the works to straighten that, no.

MR. MALINOWSKI: There's no plans?

MR. ORCHARD: No.

MR. MALINOWSKI: Is the Minister aware that quite a few accidents happen almost every year on these two sharp turns?

MR. ORCHARD: I'm not aware of an above-normal accident ratio there for the highway being a highly travelled highway, etc., etc., and a lot of commuter traffic. Certainly there may well be accidents there, but I can't see that the incidence of accidents there is higher or lower, which is the inference the member is making by saying we should straighten out the curves.

MR. CHAIRMAN: 4.(a)--pass; 4.(b)(1). The Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. There is an increase in staffing from 138; there are 16 vacancies at the present time, and the complement of staff will be increased by 5 to bring it up to 243. We would ask the Minister to explain the reason for the extra staffing; also we would like clarification on the figures for last year of \$425,700 and the deficit of \$176,000 on the right hand side; and also if all last year's appropriation has been expended. Under the Mechanical Division there is an increase of \$100,000.00. I presume that that would be for the extra staffing. There's not quite \$100,000 on Other Expenditures. Roughly, there is a million-dollar increase on all those items.

MR. ORCHARD: Mr. Chairman, I will deal with them in order if I may. First of all with the staffing. We are in fact adding 5 SMYs to the Mechanical Division. Those 5 SMYs are as a result of the integration of the equipment and stores operation from the transportation services division of Northern Affairs and Transportation Services. We transferred a total of 14 SMYs from equipment and stores to the Mechanical Division. We required only 5 of them, and we have declared redundant 9 positions; so we eliminated 9 SMYs. So the \$120,000 is as a result of the increase of 5 personnel plus, you know, the regular salary increases. Okay, does that answer the member's questions on salaries?

MR. ADAM: Yes, okay, on the staffing - SMYs. Yes, that's fine.

MR. CHAIRMAN: 4.(b)(1)--pass. The Member for Ste. Rose.

MR. ADAM: No, that answers the question on the SMYs. It doesn't answer the question on the figures, the \$425,000, whether that's been all expended. And perhaps he could give us a clarification of the figures on the right-hand side which is \$176,000 in brackets.

MR. ORCHARD: Well, the \$425,000 number one is expended; the explanation on the \$176,000 on the right-hand side this year. You see, Mechanical Division charges out or tries to end up at the end of the year as close to zero as it can, because the mechanical division's duties are to provide the equipment and the equipment maintenance as required by primarily the maintenance program. And in order to recover and to properly cost the maintenance that is ongoing, the dragging, the snow ploughing, the snow blowing, the seal coating, the patching, etc., etc., all the equipment is charged out, bases a set rental, which reflects the cost of the equipment plus the cost of maintenance. So all of the mechanical division's expenditures are charged out as closely as possible to the user appropriations, the user appropriations primarily being the maintenance program.

Now, what we have been doing up until this year is, when we establish the salaries and wage category, in other words, (b)(1), for the Mechanical Division, we have been anticipating what we think is going to be the increase in wages - okay? - for the fiscal year. Am I making myself clear? Because this is a rela-

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tively complicated reason why we've gone from a plus to a minus figure here. So in order to charge out all our equipment costs as they accrue to the Mechanical Division in previous years, we were guesstimating rather than putting in a figure. And I only pick figures for the sake of clarification. Instead of adding in a 2 percent rise in wages when we thought in fact it was going to be 7, in this Mechanical Division, salaries and wages, we would add in a full 7 percent increase so that when we get down to line 5, Recoverable from Other Appropriations, our recoveries would reflect what we in fact would have ended up paying for wages in that year; our true wage cost, so that we don't have a distorted maintenance cost, for instance, coming back because we didn't charge enough wages through the Mechanical Division.

Now what has happened is, the Department of Finance has said in the course of budgeting, you should not do that, you should treat this salary appropriation the same as you do all the others; you make a slight allowance and that 's all, not an allowance for the full thing you anticipate.

So as a result, in salaries, we have pre-guessed what the salary increase is going to be, the same as we have in other appropriations. But in order that our charge-out picks up the real salary increase, we have left it at the charge-out as if we were in fact using that 7 percent salary increase. So that in past years we've ended up with a slight figure, a plus figure, in Mechanical Division, whereas this year our charge-out is going to leave us with a negative figure. And it's just strictly a case of Finance wanting us to have a consistent method of salary throughout all our appropriations.

MR. ADAM: Well, then, that clears the point - the \$425,700 is actually salary increases. Is that it?

MR. ORCHARD: Well, what else is there?

MR. ADAM: Well, I'm wondering why that figure is there in the first place, because we have a breakdown of salaries, wages, other equipment.

MR. ORCHARD: Well, that's the salaries and wages of the mechanics and the shop personnel that maintain our fleet of government equipment. We have to pay those people.

MR. ADAM: But it doesn't show that here.

MR. ORCHARD: Well, certainly it does.

MR. ADAM: It doesn't say salaries. The salaries are further down.

MR. ORCHARD: (b)(1) shows salaries.

MR. ADAM: Well, what is the \$425,700 figure there?

MR. ORCHARD: You see, Mr. Chairman, last year, under the total appropriation for Mechanical Division, we had expenditures of \$11,667,700, part of which was Salaries and Wages, part of which was Other Expenditures, part of which was Equipment and Tools, part of which was Highway Buildings and Storage Yards. Last year, last fiscal year, we anticipated charging back \$11,242,000, which would leave us with an expenditure of \$425,000 last year. This year, we are anticipating those four items to cost us \$12,624,000, of which we are going to charge back to the user appropriations of the equipment within the Mechanical Division, \$12,800,000, which results in an over-recovery, shall we say.

Now, as I explained, the reason why it is \$425,000 expenditure last year, \$176,000 credit this year, is because of the different method that Finance required us to enter our Salaries and Wages this year as compared to last year.

MR. ADAM: Okay. We can move on to the next.

MR. CHAIRMAN: 4.(b)(1)--pass. The Member for Rossmere.

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MR. VIC SCHROEDER: On the Salaries and Wages, I'm just wondering, I don't have the figures that the other member has, how many employees are there in the Mechanical Division?

MR. ORCHARD: 243.

MR. SCHROEDER: Is there any way of determining exactly where these people are throughout the province?

MR. ORCHARD: These are personnel who are at the garages, the government garages, at Winnipeg, Brandon, Dauphin, The Pas, Thompson and Beausejour. That's where all that staff is.

MR. SCHROEDER: The garage at Beausejour, I've been in there on occasion at the Motor Vehicles Branch . . .

MR. CHAIRMAN: I just wonder if the Committee would just speak closer into the mikes. I can't really hear what is being said.

MR. SCHROEDER: Fine. The garage in Beausejour is one which I am somewhat familiar with, at least the building. The Motor Vehicles Branch has licence suspension hearings there occasionally, and the building seems to be awfully empty. I'm just wondering whether the department has any plans for that building?

MR. ORCHARD: There is the required level of activity going on in that garage. If it seems rather empty, maybe the honourable member ended up there at coffee break time or something.

MR. SCHROEDER: I'm not suggesting that there is nobody in the place; there are huge areas, as I recall, probably as big as this room, where there is no furniture. I would assume that these people don't take that with them when they go for coffee.

MR. ORCHARD: Apparently - the Deputy indicates that those buildings were built to accommodate, in some areas, the district office. And they built, in terms of design, they made every garage, with the exception, of course, of Winnipeg, along the same line. Some of them have occupied that space with a district office, but in Beausejour's case, they had an adequate district office existing and rather than, I suppose, draw up a special building, they went with the standard design in the advent of using it at some future date.

MR. SCHROEDER: Along those lines, then, and just referring back to my question of yesterday in which I had indicated - and the Minister indicated as well - that there was a grader which had some problems, and it was under repair at Rennie under the Parks Branch, I was just wondering whether that kind of repair work will now be moved to one of the other branches, now that Highways is in charge?

MR. ORCHARD: Well, you see, that piece of equipment that broke down was not Mechanical Division's equipment or Department of Highway's equipment. We maintain our own equipment in those shops.

MR. SCHROEDER: When you acquired the responsibility for the roads in places like the Whiteshell, did you, along with that, acquire the right to inherit this equipment from the Parks Branch? I recognize that it's not the Department of Highways equipment at this point, but when you were given the responsibility to maintain those highways, was there no agreement that you would also then obtain the equipment that the other branch which was giving this responsibility to you . . .

MR. ORCHARD: In the specific instance that the Member for Rossmere is referring to, that piece of equipment was nonrepairable and we had no interest in it; the department had no interest in it.

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MR. SCHROEDER: Did the Highways Department then obtain other equipment from the Parks Branch?

MR. ORCHARD: Not in the interim. In the interim, we had to hire a contractor to do that particular clearing work for us.

MR. SCHROEDER: Yes, I'm aware of that, with respect to that particular instance, but I was assuming that there was a transfer of responsibility of all highway maintenance from the Parks Branch to the Highways Branch throughout the province, and I therefore assumed that there must have been other equipment involved, and I was wondering whether the Highways Department had taken over that other equipment from other areas? I may have misunderstood the Minister yesterday.

MR. ORCHARD: No, there was a transfer of maintenance responsibility in that particular instance.

MR. SCHROEDER: Therefore, what you are saying is that there are still certain areas where the Parks Branch actually does the maintaining of the roads, and this was just a matter of administrative convenience?

MR. ORCHARD: That's correct.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. I would like to ask the Minister if he could give us some information on the fleet, which I think comes under this item, how many . . .

MR. ORCHARD: The fleet?

MR. ADAM: The fleet, that is what it says here. We have a fleet of vehicles, Mr. Chairman. I would like to know how many vehicles we have at the present time.

MR. ORCHARD: Mr. Chairman, is what the member referring to the road maintenance fleet?

MR. ADAM: Yes. It all comes under the garage . . .

MR. ORCHARD: You want me to tell you how many road graders we have, how many . . .

MR. ADAM: No, motor vehicles, cars.

MR. ORCHARD: We don't have any motor vehicles. That is under Government Services.

MR. ADAM: Oh, I see. The fleet is equipment?

MR. ORCHARD: Yes.

MR. ADAM: So if we want to talk about the automobile fleet, that would be under the Minister of Government Services. Okay, I'll maybe ask a question on the next item.

MR. CHAIRMAN: The Member for Elmwood.

MR. DOERN: Mr. Chairman, there is really only one question I'm interested in here, and that is a matter that I have raised previously. It concerns, I guess, the department's graders when they travel on the highway. I assume that most of the graders that do go along the highway at any time are government,

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although there may be some private vehicles, or municipal, and I don't know whether there are standard lighting systems on these vehicles, but I want to tell you that I had an experience about 15 years ago which was enough to cause a religious conversion, and that is...

MR. ORCHARD: The question is, did it?

MR. DOERN: No, I remained a New Democrat in spite of that experience.

MR. ORCHARD: It's a shame.

MR. DOERN: And that is, the lights. There's a problem with the front part of the grader, I don't know what you call it, the plow portion, namely that you can't put lights on there very easily, and yet when you have the lights up on the cab, if a person is driving along, I believe there is an illusion created, namely that, depending on where you're driving, you are used to seeing those lights a couple of feet off the ground. If you see a grader in the distance coming and the lights are high up, it creates the illusion of a different distance. You get a different visual perception, and I'm telling you that that can be dangerous under certain circumstances, and on one particular occasion, it was to me. I'm just wondering, first of all, whether there are standard - like some of them seem to have certain types of lights, some seems to have flashing, swivelling lights, etc., etc.

I would like to ask you first of all whether in terms of their normal lights and/or flashing lights or emergency, whatever you want to call them, to alert an ordinary vehicle driver, that this is some different type of thing other than a car or truck coming, are there standard requirements?

MR. ORCHARD: Well, now, first off, our fleet of maintainers that are attached with snowplows have the flashing blue dome light, which would show above and beyond your headlights and would stop most drivers from that illusion of the height being a distance back. I can't answer for municipal equipment, which this may well have been. Those blue flashing lights, it is my understanding they have to be on whenever the snowplow is on a PR or PTH, to warn both front and back traffic. I don't know whether there are legal standards by which municipal equipment has to comply to. I don't believe there is, but by and large, most municipal equipment has the flashing light system, as does ours.

MR. DOERN: Mr. Chairman, then I'm going to suggest to the Minister that he should explore this area. I believe that this should be standardized. From my experience, I have the impression that there are different kinds of lights and different colours and different settings and so on and so on. I think that, first of all, there should be a standard system and also, when some of these graders aren't working, like in the sense of when they are going from one point to another as opposed to plowing when they would be going at a much slower speed and presumably off to the side, I think that you might also explore some system of even having some sort of attaching to the blade that would be at the normal level. Because I'm telling you that I believe that the present system that has been used for at least 15 or 20 years, from my experience, presents a safety hazard because of a visual difference, namely a driver looks at vehicles at ground level and all of a sudden there is a pair of lights 10, 12 feet in the air, coming along, which certainly creates a different impression. I believe it is a safety hazard.

MR. CHAIRMAN: Mr. Chairman, I fully appreciate the Member for Elmwood's concern in this regard and there is only one way, I believe, that is practical to mark this type of vehicle on the highway, and that is with cab-mounted flashing signals, because any light or any attachment that you put on the blade system, either the plow or the grader blade, just plain isn't going to be there at the end of the day. It's going to get knocked off and destroyed and it is physically impossible to keep it on. If we were to develop a safety system which inherently relied on the presence of lights on the plows or the blades, I am afraid we would within a few short hours have no marking on them whereas always, with the dome light, unless the dome light itself fails, you do have some marking. Even if you

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don't knock a light off on the plow, you can pack it full of snow and it won't be visible, and that would give you that old false sense of security. It's just an impractical place to put a light and I think that this is something that has been checked into by the safety associations across North America and it is pretty standard to have cab-mounted safety lights.

MR. DOERN: I'm just saying, Mr. Chairman, that, you know, you can't be too careful in this regard. I think that there are emergency vehicles that travel around the City of Winnipeg, as an example, tow trucks and so on, when they come down, I think everybody just notices them because of these flashing lights. You know, your instance reaction is, "There's an emergency vehicle." You don't know what it is. You might think it's an ambulance and it might be just a tow truck - maybe it's excessive. I say that in my impression of provincial graders and probably municipal graders, is that the lights are not noticeable enough, or at least in particular instances. So I'm saying that first of all they should be quite prominent, namely when this type of a vehicle is on the highways; secondly, they should be standardized; and, you know, finally, again I'm saying although I understand that you can't have lights on the blade when they are working, when they are zooming down the highway, if you don't have a good enough system, it might be necessary to have something on the blade at ground level. I'm sure I could take the Minister out, as an illustration, and show him some of these vehicles coming down the highways. I think that they are a hazard, because of either inadequate lighting or unstandardized lighting or the problem of the lights being up there in the air.

So I would ask him to look into this matter. I would be happy to meet with him and discuss it with his staff because I have had a very strong view about this matter for a long time and I don't see any changes or improvements in the matter.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. HYDE: Mr. Chairman, my question is to the Minister, if I may. First of all, I appreciate the announcement where he is going to be upgrading 2.5 miles of road between 22nd Street West and the junction of Highway Number 1. This is certainly going to be an improvement to a very serious situation that we had on our hands with the new mall coming into being. I appreciate this and so do the people of Portage la Prairie. But to make . . .

MR. CHAIRMAN: Maybe if I could just draw the member's attention that we are on (b)(1), Mechanical Division. Probably those remarks can follow, we'll . . .

MR. HYDE: Mr. Chairman, my question was going to be asking you as when, because I had planned on asking the Minister on Planning and Design, of a project to the Portage area, and I was out of the city yesterday and I wasn't able to be in attendance. Now, I am asking, when I can bring that up again?

MR. CHAIRMAN: Under the Minister's Salary, but we have passed it really, to the member, but we could bring it all in the Minister's Salary in compensation.

MR. HYDE: Thank you.

MR. CHAIRMAN: Okay. (b)(1). The Member for Ste. Rose.

MR. ADAM: I just have one further question under this item. I am wanting to know whether, do we lease any equipment, or is it all purchased outright? Do we have any leasing agreements for leasing of machines?

MR. ORCHARD: The majority of the equipment is owned, but there is the odd item that will be under a lease.

MR. ADwM: what kind of equipment are we talking about, big or larger machines, or what?

MR. ORCHARD: Well, say, wobbly-wheel packers, maybe on a lease purchase rather than an outright purchase.

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MR. ADAM: It would be just a very few of these machines; there wouldn't be very many.

MR. ORCHARD: That's right.

MR. CHAIRMAN: (b)(1)--pass; (b)(2)--pass. The Member for Ste. Rose.

MR. ADAM: What does this consist of? It's quite a large figure here, this \$8 million.

MR. ORCHARD: Well, Mr. Chairman, this is the repair parts, fuels, lubrication materials, for the department's equipment.

MR. ADAM: Okay.

MR. CHAIRMAN: 4.(b)(2)--pass; 4(b)(3)--pass; 4(b)(4). The Member for Ste. Rose.

MR. ADAM: Could the Minister explain there the increase?

MR. ORCHARD: Yes. We are putting in sewer, water, and washrooms, into our storage buildings at Carberry, West Hawk, Petersfield, Pine River, Gimli and Fisher Branch.

MR. CHAIRMAN: 4.(b)(4)--pass; 4.(b)(5)--pass. The Member for St. Vital.

MR. WALDING: Just one question, Mr. Chairman. I would like to ask the Minister why he is recovering more from Other Operations than he is going to spend.

MR. ORCHARD: Mr. Chairman, I did deal with that in depth with the Member for Ste. Rose.

MR. CHAIRMAN: 4.(b)(5)--pass. The Member for Ste. Rose.

MR. ADAM: I want to talk about the warehouse. Are we there yet?

MR. CHAIRMAN: No. 4.(b)(5)--pass; 4.(c)(1).

MR. ADAM: Yes. Could the Minister explain now? We're increasing four SMYs from . . . there's one vacancy, which will be filled, and we're going to increase it . . . no, that's not right.

MR. ORCHARD: Mr. Chairman, if I might?. Last year we funded 19 SMYs in this appropriation and between last year and this year we are reducing one SMY down to where. . . we're letting one SMY go, so the increase in funding reflects a reduction of about \$15,000 from the drop of one SMY funding.

MR. ADAM: Did the Minister say that we funded 19 last year? It only shows 14 here.

MR. ORCHARD: Well, yes, it shows 14 here. But then, in the Equipment and Stores appropriation, if you follow us under Transportation Services, 5 of those 19 were in the stores end of transportation services and funded under the appropriation of Warehouse Stores last year.

MR. ADAM: I see, so the 4 SMYs that are coming into the department would . . . and there is no increase in salaries, really.

MR. ORCHARD: Oh yes there is. There is an allowance for an increase, but bear in mind that last year we funded 19; this year we're only funding 18, so that the increase reflects the increase less the reduction of one SMY. So that's why the increase is only about \$3,500.00.

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MR. CHAIRMAN: 4.(c)(1)--pass; 4(c)(2)--pass. The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, could the Minister explain what is happening here?

MR. ORCHARD: Well, Mr. Chairman, you'll recall the Member for St. Vital was asking what was happening in overall in computer services. And I mentioned to him, in computer services, that we had an allowance for development of the new warehouse store system. And of the \$709,000 of total expenditures, the majority of the \$61,000 increase in this appropriation this year is for the design of that warehouse store system. That's part of the computer funding; that's the reason for the increase here.

MR. ADAM: Does that show up in other areas as well?

MR. ORCHARD: Yes, Mr. Chairman. There are a number of other items that use computer services, but in terms of a major increase, this is the only one that has anything above a normal increase for salaries or cost of supplies, strictly related to the computer services. But, as I mentioned to the Member for St. Vital last week, or on Monday, or whenever we were around to it, that there was a major increase in the computer services caused by the design of a new warehouse store system, and this is where this \$61,000 by and large fits in.

MR. CHAIRMAN: 4.(c)(2)--pass; 4.(c)(3)--pass. The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, that is the same figure as last year. What is that; culverts and other supplies that we need?

MR. ORCHARD: It's not culverts; it's parts, traffic paint; those kind of supplies that we need within the maintenance appropriation.

MR. CHAIRMAN: 4.(c)(3)--pass; 4.(c)(4)--pass; 4.(d)(1)--pass. The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, could the Minister tell us now, we're going up \$200,000 I believe, what is happening here? How many airports do we have? Are they still all under operation, and are they functioning well? Are they supplying all the northern remote communities the way they should be?

MR. ORCHARD: Well, Mr. Chairman, the major reason for the increase in here this year is that we've got adequate liability insurance coverage at all the airports now and we have instituted, well, we're providing for an effective fire and crash rescue operation at all the staffed airports. And that's the main reason for the increase in funding this year - increase in liability insurance over last year and provision of fire and crash rescue operations.

MR. ADAM: And one extra SMY?

MR. ORCHARD: Mr. Chairman, the SMYs are the same.

MR. ADAM: There's 84 SMYs. Okay. The aircraft themselves don't come under this. We have nothing to do with that.

MR. ORCHARD: No.

MR. CHAIRMAN: The Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Chairman. Under this appropriation for Airports and Roads, is there any provision for any upgrading of landing facilities?

MR. ORCHARD: Mr. Chairman, all this is, is the operation staff and the operating expenses. The upgrading comes under the capital acquisition in a later appropriation.

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MR. HANUSCHAK: Under where?

MR. ORCHARD: Appropriation No. 8 has any capital reconstruction or capital expenditure that we're going to have in our airports.

MR. HANUSCHAK: I see.

MR. CHAIRMAN: 4.(d)(1)--pass; 4.(d)(2)--pass; 4.(e)(1)--pass. The Member for Ste. Rose.

MR. ADAM: Could the Minister tell us what's happening in regard to ferries and . . . ?

MR. ORCHARD: It's a very interesting subject, Mr. Chairman. We are increasing our SMYs by one in here. We transferred one of the administration personnel from Transportation Services into the Marine Division. The ferry operations are running quite well. We have got an actual decrease in Other Expenditures this year because we have realized some fairly substantial economies because of improved scheduling of the vessels and improved security and the use of scheduled air transportation for the ferry operators rather than charter aircraft. And we have been able to realize some fairly reasonable cost savings as the member can see. This Marine service is operating quite well.

MR. ADAM: How many ferries do we have in operation there?

MR. ORCHARD: Six, Mr. Chairman.

MR. ADAM: Six. They're all on Lake Winnipeg, or where are they?

MR. ORCHARD: No. There's two on Lake Winnipeg actually, and four in various locations in northern Manitoba.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: Is there not a ferry on the Assiniboine River?

MR. ORCHARD: Yes.

MR. CHAIRMAN: 4.(e)(1)--pass. The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, there was a question of a bridge at Berens River. I am wondering, have there been studies made as to whether or not a ferry would work there?

MR. ORCHARD: Not that I know of, Mr. Chairman. No, I don't believe so.

MR. CHAIRMAN: 4.(e)(1)--pass; 4.(e)(2)--pass. Resolved that there be granted to Her Majesty a sum not exceeding \$37,824,800 for Highways and Transportation, Maintenance, Highways and Airports--pass.

Resolution 84, 5.(a). The Member for Burrows.

MR. HANUSCHAK: Yes, I note, Mr. Chairman, that this appropriation provides assistance to urban and rural areas in the development and maintenance of local transportation needs, including roadwork in unorganized territory. Could the Minister indicate of what portion, if any, of the \$3,020,000 appropriation is for road construction in unorganized territory?

MR. ORCHARD: Well, the majority of it will be road construction in unorganized territory, and then let me explain for the Member for Burrows. This is an appropriation of general funding and what we do is, as the year progresses, starting roughly now, the various councils of the unorganized districts, the local government districts, will make application to the department for work on a given

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main market road on an LGD or for a specific project within local government districts. And we will fund those as requested.

MR. HANUSCHAK: So this is for roads in unorganized territory, other than PRs or provincial trunk highways that may go through it?

MR. ORCHARD: Yes, that's correct.

MR. CHAIRMAN: 5.(a)--pass; 5.(b)--pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$6,020,000 for Highways and Transportation - Assistance Programs--pass.

Resolution 85, 6.(a)--pass - the Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, related to this item, the Minister had tabled a document, The Highway Construction Program, which consists of two parts, the projects previously programmed, being continued, completed; and projects scheduled for 1980-81. Now, I'm finding it a bit difficult reading the first part, the Projects Previously Programmed, because they are described in exactly the same manner as they were described in the previous year's Highway Construction Program. So the question that brings to my mind, Mr. Chairman, is I think it would assist the committee if it were able to know to what extent were the projects previously programmed completed. If I may use an example, you know, looking at the first item, the Trans Canada Highway East, mileage 2.2 miles; location, west of Perimeter Highway, Plessis Road to the Plessis Road connection; nature of work, acquisition of right-of-way. --(Interjection)-- Yes, I am reading that from the 1979-80 projects. Then I note that in '80-'81, it is described there in exactly the same fashion.

Now, you see, that raises many questions in the committee's mind, Mr. Chairman, because I think the committee would like to know whether any of this land had been acquired, or some of it, and what is remaining to be acquired, because I think it would make quite a difference if there was none acquired or if, let's say, 2.1 miles were acquired and there is only a tenth of a mile left to be acquired this year. Then, of course, that would lead us to other questions, because if most of this was previously done, and if the Minister is asking for funds once again for the same programs, then it would have the appearance, you know, of double funding for the same construction project.

So, as a starter, perhaps when the committee next sits, if the Minister could at least give us two figures, and I'm sure that he has them because somehow he had arrived at the figure in his apportionment, his Estimates here, if he could give us one figure showing the total estimated costs of projects scheduled for 1980-81, and the total estimated costs for the uncompleted portion of projects previously programmed.

MR. ORCHARD: Mr. Chairman, first of all, the only reason why last year's program is attached is as a matter of interest.

MR. HANUSCHAK: Is the Minister then suggesting that there are no funds included in this year's Estimates for the completion of the projects previously programmed, or how is the Minister going to pay for them?

MR. ORCHARD: Mr. Chairman, the Member for Burrows was attempting to - I believe he asked a question as to whether I am trying to get money twice. Well, no, that's not the case, Mr. Chairman. The program, as has been past patterned, the previous year's program is appended to the current year's program to give you an idea of two years of projects, and nothing more is intended.

MR. HANUSCHAK: Well, have those...

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

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SUPPLY - CIVIL SERVICE

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members to Page 16 of the Main Estimates, Department of Civil Service. Item under discussion is 1. Civil Service Commission under Resolution No. 25, Item (a) Salaries--pass. The Honourable Minister.

HON. KEN MacMASTER (Thompson): Just one thing, Mr. Chairman. I had established a routine here before with the members opposite of how I introduce the Estimates. I had given the opening remarks; the Honourable Member for Logan had started when we closed last night. If he wishes to finish what he was saying and itemizing his questions, that's fine, or if he would like to revert back to the procedure I was following before where I outline people and where they are, if he wants me to do that I'll leave it up to him. I'm easy to get along with, as usual.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Chairman, and I can assure the Minister that I'll try and be just as easy to get along with as he. The Minister has a table on Page 4, with various boxes. If the Minister is dealing with that and he can give us the staff in the various boxes, and their classifications, then I will allow the Minister to carry on at this time.

MR. MacMASTER: Okay, a couple of things, before we enter Classifications. The Member for Logan yesterday said - he made two or three points, but I'm sure he'll reiterate most of them. One that he did say was that he had understood me to say I was pleased with the way negotiations were going this year. That wasn't quite correct, Mr. Chairman. I said I was pleased with how negotiations went last year. And the member made reference to something that the president of the MGEA had said on the radio, about they're having some difficulties or whatever. I just don't make comments on negotiations that are in the midst of negotiating, as I think he knows. So, I was referring to last year, the successful conclusions last year.

Okay, if the member would look in his Civil Service Commission 1979 report, under the Civil Service Commission, directly underneath the "Minister", there are two --(Interjection)-- Page 4, the chart. Under Staff Relations Division on the right, there are 3; under Personnel Services Division, 4. And then we start at the bottom row of boxes on the left hand side, and I'll just run across: 3 in the first one, Employee Health Counselling; 18, Classification; 7.5, Staff Development; 10, Personnel Records; 2, Secretary of Civil Service; 3, Compensation Services; 1, Pension and Group Insurance; 5, Negotiations and Grievance, and they cover off the last two on the right hand side. And down in the bottom, Special Programs, 1.5. And you must add to that: 2, Personnel Trainees, that will be assigned to projects throughout the entire department. The total staff this year is 62; last year it was 62. I think that is all I have on the first item. Members opposite can now ask any questions they wish.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. Just to carry on with the remarks that I was making yesterday, and I apologize if I misunderstood the Minister. He explained today that he was talking about last year's negotiations. However, I do think that I should draw to the Minister's attention that besides yesterday's news release on the radio, there is an item in today's Free Press - I don't know if he is aware of it - headed, "MGEA Riled by Proposal." It deals with the statement of the president, the MGEA president, Gary Doer, and he charged yesterday that "the government proposal to exclude supervisors from the bargaining units had disrupted negotiations for a new contract for 12,000 provincial civil servants. The existing agreement - covering employees of hospitals, jails, community colleges, among others - expires Saturday." I believe the Minister said that yesterday. Mr. Doer goes on to state that: "We had been progressing fairly well. This will definitely delay things. Doer said he had no precise figure on the number of civil

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servants, primarily low-level supervisors, who would be affected."

I want to ask the Minister if this is a new policy that the government has decided upon, to now exclude from the bargaining unit of former years, low-level supervisory staff, and when did this policy come into effect?

MR. MacMASTER: Mr. Chairman, I thought I made it reasonably clear when I made my comments to the member that this Minister of Labour does not discuss negotiations in this particular Chamber. --(Interjection)-- That's right; somebody said they're ongoing and that's correct. We can philosophize after the situation, be it, a successful one or unsuccessful, and the opposition, well, they are at liberty to ask questions any time they want; there's no question about that in my mind. But during the midst of negotiations, you sometimes hear things, you sometimes read things, and occasionally you see things happen that cause questions such as the member opposite has raised, but I have always taken that position. In fact, years ago when I was with the union, our local union was very adamant - our position was that we would not negotiate ourselves, from that side, in the newspaper. We dealt with our membership in our own way, and we dealt with negotiations in our own way. I've carried that through my life, and I think it is a good position, it is a practical position. It's one I have lived and I understand and I appreciate, so I have no intention of commenting on the member's suggestion, allegations that something may be new. There is posturing that takes place during negotiations; there's positions handed back and forth. The member knows that as well as I do, and I'm just not prepared to get into any debate over newspaper articles. If he came in tomorrow with a union leaflet, I wouldn't talk about that. If he found an internal memo someplace and said, "My goodness, this looks like you're doing . . ." I just wouldn't debate negotiations, while they are ongoing, in this House.

MR. JENKINS: Well, the Minister can have his opinions. I think that they are fairly valid, but from what --(Interjections)-- Well, maybe the Minister for Government Services is quite correct in saying that the Minister has taken the easy way out - I'll make sure that it is on the record. But nevertheless, there has been something, evidently, that has been introduced, new into negotiations that hasn't been there in the past. If the Minister doesn't wish to discuss it, well, I can't force him to discuss it and I'm not going to even try to force him to discuss it. But I do think, by his reluctance to state a government policy, that it certainly is fairly obvious that this is something new. It must be government policy, because otherwise the people who are negotiating on behalf of the government - and I don't know whether the Minister is directly involved in those negotiations - but the people who do the negotiating on behalf of government must have got instructions from someone; they just didn't pluck this out of thin air.

As the Minister says, yes, I know how negotiations are carried out, and I don't think that they should be carried out in public. But when I think that there is a problem here, if there is a difference in what the collective bargaining unit will be and the government is attempting to remove from that bargaining unit some of the people that were previously covered, then I think it is incumbent upon, if not the Minister of Labour, then I think it is incumbent upon the First Minister to state that certain people within the lower supervisory category, it is the government's policy that these people will be considered to be of a supervisory capacity not covered under the agreement.

I don't think that the people who are doing the negotiating for the government have taken this on their own heads to do because if they had, then I would say that the Minister would certainly want to be talking to those people, because if they are taking liberties that have not been set forth as government policy . . . That's all I asked the Minister. I don't want to get mixed up in the internal negotiations. All I asked the Minister was if this was government policy. They may have a very valid reason for removing these people from the collective bargaining unit, but as the Minister has stated, he doesn't wish to discuss that, well then that's fine. We know where we stand and we can all draw our own conclusions. And I think I have made mine fairly clear just where my conclusions have been drawn.

I would like to now deal with the report itself. I asked the Minister when he gave us the box tables here if he would - he has given us the staff man years.

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He said it was 62. And if we look at Page 24 of the Annual Report, he stated that that figure was approximately the same figure that we had last year. Last year we had; I think he said 61; this year we have 62. Those figures compare favorably. But the Minister didn't give us the classifications of the people. What are the job classifications of the numbers in the box, of the 62, I believe that the Minister said, including the two personnel trainees? Could he give us the classifications of these people? Either he can give them to me here, or I'll get them as we go down through the report.

MR. MacMASTER: I'll establish a one-sheet - X number of directors, X number of secretarial, X number of research, X number of programmers - I'll have that sheet established and forward it. I'll table it, and we got it.

MR. JENKINS: I thank the Minister for the co-operative effort. Now, I'd like to deal with Page 7 of the Civil Service Report, the Manitoba Civil Service Commission, and we have listed five people. Evidently, the Civil Service Commission had 17 meetings. Could the Minister give us the attendance of each member for the 17 meetings - how many meetings they attended? I notice that two of the members - Mr. P.I. Hart and Miss S. Bradshaw - are members of the Civil Service Commission and are also civil servants. Are they, in excess of their civil service pay, paid as members of the Civil Service Commission, or are they just there on the commission and as non-paid members of the commission? If the Minister could give me that information, I would appreciate that very much.

MR. MacMASTER: Miss Bradshaw and Mr. Hart do not get paid for time spent on the Civil Service Commission, and I'll get a breakdown of the 17 meetings and the number of people that were at them.

MR. JENKINS: I thank the Minister for that. I want to now raise the issue of the - in the introduction - and I note the resignation of Mr. D.A. Duncan as a member and Mr. Brown, who retired from the position. Now, I know we had quite a considerable discussion last year on Mr. Duncan and, what I want to know from the Minister is the following: Since Mr. Duncan resigned - and I guess it wasn't a happy resignation - and there were certain legal fees involved from the department, could the Minister give us the cost of the legal fees for the final settlement with Mr. Duncan? I don't want the settlement terms, but just the legal fees, the costs that it cost the Commission or the government in order to make a settlement in the case of Mr. Duncan. If the Minister doesn't have that readily available, I wonder if he would take that as notice and see if he can have that brought back to us.

MR. MacMASTER: Yes.

MR. JENKINS: Now, the Civil Service Commission itself, the meetings - and I only throw this out to the Minister as a suggestion, because he just gives us the meetings last year in 1979, and I throw this out as a suggestion for next year if we are still here as the government next year or the members opposite are here as a government - that you do, in other cases, show the previous year, how many meetings were held, and it would be of interest to the members to be able to compare the number of Civil Service meetings we had last year, the year previous, and if the Minister doesn't want to go any further than that, I see that's basically what he has in others. Some, he goes back to '76, but if he could give us two or three years, so we could have some comparison, because all we know from the report here and - I could dig it out, but I don't think I want to go and start digging for last year's Civil Service Report. We have Civil Service meetings here - the year 1979, 17. How did they compare with meetings that we had last year, and say in '78, and in '77.

Appeals received - we only have last year. Are the appeals up or down? We have no way of comparing it on this side of the House. I'm not saying this to be critical just for the sake of being critical, but I think the Minister would agree that it would be easier for we, here in opposition, to be able to go through this, because we have no comparable data for the previous year. If the Minister could assure me that he could get this information to us, then I would be appreciative

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of that, too. Now, I'll just sit down and maybe the Minister can give us that information right away, I don't know.

MR. MacMASTER: I confer with the member right now, a copy of last year's report - the Act requires that we issue the findings of that particular year. One point I'd like to make is that, as Minister, I have faith in the negotiators that are, in fact, at the table with the MGEA at the particular moment.

MR. CHAIRMAN: (a)--pass. The Honourable Member for St. George.

MR. BILLIE URUSKI: Thank you, Mr. Chairman. I wonder if the Minister could indicate to me to what extent has the Commission delegated its authority to the various departments, in terms of selection and recruitment of staff.

MR. MacMASTER: There's five departments that have reached agreement with the Civil Service Commission, Mr. Chairman.

MR. URUSKI: Could the Minister indicate which departments they are and how the functions, and which functions have been delegated, and how the organization or re-organization relates to the Commission?

MR. MacMASTER: The member wanted the department's themes? Agriculture, Labour and Manpower, Community Services and Corrections, Municipal Affairs, and Fitness and Recreation, and Co-op Development - they're combined. These agreements have been signed by these particular departments. It sets out the criteria to be met by the department before a delegation would be allowed to take place. It sets out the terms and conditions of the agreement, which would be initially set for a one-year term, with subsequent two-year renewal. They will follow the same high standards that the Civil Service Commission has established, and they'll be doing their own recruiting. We will be auditing their procedures and working with them as they work into that procedure, Mr. Chairman.

MR. URUSKI: Thank you, Mr. Chairman. The agreements that have been signed with the departments - is there a possibility of obtaining a copy of the agreements that have been signed between the Commission and the relevant departments?

MR. MacMASTER: I can get the member a sample copy without the names on it, but the copy that will be used and is, in effect, in use, if he would so desire. Fine, I'll get that for him.

MR. URUSKI: Yes, I thank the Minister for that. I wonder if he could - before I get a copy of that sample contract - whether there have been any deviations or any special clauses that have been entered into with some of those departments, that they have signed agreements, and what the criteria is, what the basis of the contract is, so that one could understand as to what functions have been transferred and how they will be handled on a day-to-day basis. Could the Minister go through sort of the system as it has been set.

MR. MacMASTER: Well, the answer to the one particular question is no, there are no special types of agreements. There will be one standard-type agreement and I think that - at least I think that's important. I assume the member opposite thought it was important.

Before I just get into that, could I answer the Member for Logan. Last year, of the 17 meetings, Mr. Hunter attended 16; Mr. Hart, 15; Miss Bradshaw, 15; Mr. Pankiw, 14; and Allan, 15, Mrs. Hazel Allan. I'm trying to keep the questions . . .

The terms and conditions of the agreement - we can do it either way, but I'm quite prepared to go through it now. I mentioned that it is for one year, and I mentioned that it is renewable after that for a two-year period. It's subject to satisfactory audit by the Commission. Staffing process to be used by the department for competitions will be outlined on the appendix which the member will get. The agreement may be suspended or cancelled by either party. The staff of the Civil Service Commission may still participate, if the department wants them to

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participate in the recruitment process. Prior to the expiration of this agreement, staff at the Commission will conduct a review audit in consultation with or jointly with the department, and following discussion, will submit a report to the Civil Service Commission and the Deputy Minister of the Department of Labour relating to the effectiveness of the agreement. So it is, in fact, going to be audited.

The authority of the Deputy Minister is the recruitment and selection of persons for regular, temporary positions and to establish lists of eligible applicants for those classifications germane to the department; the appointment of individuals to regular, temporary, departmental positions, including the approval of the approve minimum salaries of appointments; establishment of an appropriate examination and tests - and that makes reference to the Civil Service Commission, they will work that out with them. They will assist in preparations for arbitrations. They have the authority to waive competition when deemed appropriate, providing justification accompanies the appointment documents received by the Civil Service Commission; and to conduct internal competitions in the department, providing this is noted in any appointment documents received by the Civil Service Commission.

Requests for amendments to the terms and conditions of this agreement will be made by means of a submission to the Civil Service Commission. So if, in fact, they wanted to amend at a later date the document which I will forward to the member, they would have to submit that to the Civil Service Commission.

All decisions made under the authority of this agreement will be consistent with the intent of approved policies and procedures, current or future, established by the Civil Service Commission, with the terms and conditions of any collective agreement and with the published qualifications for the various classifications.

I think that pretty well spells out what they're doing, Mr. Chairman.

MR. URUSKI: Mr. Chairman, did the Minister indicate that the staff of the Civil Service Commission may participate in the selection and recruitment process, that they are not involved in that process?

MR. MacMASTER: That's exactly what the agreement is about. They may participate, if requested, or if the Commission desired to. But the intent of the agreement is to give that recruiting process over to the departments once they are in shape to take it on.

MR. URUSKI: Mr. Speaker, the Minister spoke about recruiting. My question was whether they participate in the selection process after the recruiting has been done and there is going to be, and I presume, unless there has been a change in the way the Commission makes its recommendations or at least now the Commission doesn't make its recommendations, according to the agreements with those five departments; am I correct in that? Since the department is doing its own recruiting and its own selection process, then therefore the Minister is indicating that no longer is the Civil Service Commission involved in the recommendation process; is that correct?

MR. CHAIRMAN: (a)--pass. The Honourable Member for St. George.

MR. URUSKI: Mr. Chairman, this is quite interesting. The Minister of Labour now indicates and informs this House by nodding his head in approval that no longer is the Civil Service Commission involved in the recruitment and selection process in the Civil Service. Mr. Chairman, the Conservative Party, the now Premier of Manitoba, in the last election and over the two years that they have now been in office, has constantly derided members on this side of the House of filling the Civil Service with political appointments. We have now a contract, signed by the Minister responsible for the Civil Service and the Minister of Labour, who indicates that no longer is the Civil Service Commission involved in the recruitment process, either that or in the recommendations that are made to the hiring authority, meaning the Minister, who is the ultimate hiring authority.

We now have five departments of government operating in total political control, Mr. Chairman, and I'm putting that quite bluntly. We have now the Minister

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of Agriculture, who does not, according to that agreement, and I haven't seen it yet, but if I recall what the Minister has said, they have the authority to waive competitions, Mr. Chairman, within the department. They have the authority to waive any competitions that the hiring authority deems reasonable because this is an agreement that has been signed by the Commission. And the Commission has, in effect, waived its authority in terms of the selection and the recruitment process because now, I presume - and the Minister can correct me if I am wrong - we have separate personnel department, full personnel departments, being set up within the various departments, the five departments - Agriculture, Labour, Municipal Affairs, Fitness and Recreation, and Co-op Development - and the Minister of Corrections, I believe his department, Community Services and Corrections - are the departments that the Minister indicated.

So we now have not the Civil Service Commission, and not the merit principle that the Minister and the Premier talked about, "Now we will have the merit principle come back into the civil service and we will have all the hiring done under the merit principle." Mr. Chairman, what we have is a complete removal - and I am being probably kinder than I should be, and the Minister of Mines says, "wrong", Mr. Chairman. We have a lack, I don't mean a lack, but it's a definite direction to politicize the Civil Service, Mr. Chairman. We have the respective Ministers of those departments have full authority, through their deputies and through their staff, not only to handle all the recruitment and selection, but, Mr. Chairman, they have the right, they have the right to waive, they have the right to waive the recruitment process and the competition process that they can appoint, Mr. Chairman.

And what does the contract say? The Civil Service Commission may participate. Well, Mr. Chairman, I can bet your bottom dollar that in the process in those agreements that have been signed that there has been . . . the Civil Service Commission has been told to, "Look, move into your corner and we will do the hiring." I would like to know, in those departments that those new agreements were signed, how many of the staffing officers from the Civil Service Commission sat on those competitions? How many competitions that were handled by those departments have waived the selection process that the Minister or the hiring authority in his department has done the hiring without the process of competition, that they have made an appointment. Who sits, Mr. Chairman, who sits on the selection process? Is it the staff of the Minister's department? Is anyone from the Commission there looking over and making sure that the procedures are being followed? Who is doing the day to day monitoring of this? Are the staffing officers there in the selection process? If they are not, Mr. Chairman, I suggest to you that the merit principle that the Conservative Party talked about, they've just blown it out the window in half the government, that the pork-barreling that they have talked about is now rampant in those five departments, but the contract that they have signed.

And it is this Minister, this Minister of Labour, who indicates, saying now that we have the merit principle back in the Service, it is he who has changed the entire Civil Service procedures, and really, the intent of the legislation, by the changes that they have made in this year. And I, Mr. Chairman, accuse this Minister of reneging on his responsibility as the Minister responsible for the Civil Service Commission in the delegation of his duties.

MR. MacMASTER: Well, Mr. Chairman, I am pleased, I am really pleased that the member has decided to open up with just so much nonsense. It's been reasonably calm, I must say, the last couple of weeks in here. The questions have been fairly tough. But that type of ridiculous speech hasn't been made in the House under my Estimates for, well, since I got here, particularly from a member who was a Minister. He was the Minister for the Civil Service Commission. Now he must have had other duties, because he didn't check his Acts, or he didn't check the CBA, or he didn't really understand what the procedure was in any way shape or form, I say to you, Mr. Chairman.

First of all, he's talking about waiving competition. I guess he is not aware that the CBA, that's a Collective Bargaining Agreement, and the Act, allows that to take place, Mr. Chairman, if it's a direct promotion from within. It presently does, and has for a good period of time.

MR. MINAKER: He wouldn't know that though.

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MR. MacMASTER: Well obviously, he didn't know that. That's something that is fairly fundamental . . . Well, he made a big issue of it and typically, when you find that somebody is wrong in the opposition, they want to talk about a whole bunch of things, and they don't like you to pick away at the false facts that they have presented. So we'll put that to one side.

Now he's agreed and he's nodded that, well, that's just one area that he made a mistake, and now he's getting some advice so we'll see how he handles it when he gets back on his feet. So we'll put that little bit to one side. And what else was he talking about here? He said that I had signed an agreement. Now, he wasn't listening. I don't sign any agreements. The Deputy Minister of the Department signs the agreement with the Civil Service Commission. The Civil Service Commission has authority to do those things, as the member might have known. This is another little piece of the falsehood that he portrayed. The Civil Service Commission has the authority to do that.

What we have done with the agreement between the Deputy and the Commission, it's no longer the Minister, it's signed between the Deputy and the Commission. And if he wants to say that the Deputies and all the personnel people in the government are something less than honourable, then he's entitled to do that; he is entitled to do that, Mr. Chairman.

Mr. Chairman, I have to read into the record some of the comments that I think are necessary to, maybe, put this silliness to bed. It should be noted that the Civil Service Commission is retaining full authority and responsibility for selection of personnel as set out in The Civil Service Act. Rather than giving up its authority under the Act, it would be more appropriate to state that the Commission is exercising its authority as set out in the Act, and the member might recall that. I see him nodding occasionally.

Specifically, Section 13.1 of The Civil Service Act is entitled personnel selection. That particular section states:

13.1: "The Commission shall, (e)establish policy, standards, methods, and procedures for the selection of personnel to provide consistent standards within each class of position, and where in its opinion it is the public interest to do so, the Commission may delegate responsibility for selection of personnel and selection procedures to the employing authority."

Now that section was always there; that's nothing new.

"Delegation will be a gradual process, and only those departments which have professional capability and meet the criteria established by the Commission will be granted delegated authority." At the present time, only nine of 17 departments would qualify, and only five agreements have been actually concluded.

"Certain classifications, including all senior officers and all positions classified within the personnel administration series, will not be delegated and will remain the responsibility of the Commission. It should be noted that in the past, a number of work share arrangements had existed within the Commission with certain departments, but without sufficient safeguards in the area of formalized authority, prerequisite criteria, standardized selection procedures, or post-audit and review."

So there were many working relations in place within government for a good period of time, and now we are standardizing it and we're documenting it.

"These arrangements will now be formalized, and controls will be tightened up with a regard to consistent application of standards, methods, and procedures within the selection process. Concurrent with the delegated authority, the Civil Service Commission has developed an effective means of auditing and monitoring selection procedures within departments to ensure compliance with The Civil Service Act. If for any reason it is perceived that delegation is not working within a particular department, the agreement contains the provision that it would simply be cancelled at the initiation of the Commission. The Commission has identified that one of its roles is to encourage the development of personnel management within government as a whole."

Now surely the member doesn't want to diffuse that particular role, or that initiative; surely he doesn't, Mr. Chairman. If you have capable personnel managers in departments, and if you want to encourage the development of professionalism in this important area of government administration, then you must be prepared

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to give these people the degree of authority and responsibility required to function at a professional level.

Finally, it should be noted that the concept of delegation of selection authority is certainly not new to government administration. As a matter of fact, Mr. Chairman, Manitoba is one of the last of government jurisdictions in Canada to move in this direction. The federal government has successfully implemented delegated selection authority for the past ten years, and nearly every other provincial government has moved in this direction.

So I hope, Mr. Chairman, that that explains. In all kindness, the member has been away from that particular Ministry for a long time. If he would like me to get him a copy of the Act and spell it out for him, I am quite prepared to do that. Politicization has not been an issue with this government, and even if it were, the procedures to be followed, the standards to be maintained, and the records to be kept on each competition under the delegated agreements are such that any interference or any abuse within this system would be immediately apparent.

In addition, as I have explained, the Commission will continue its role in ensuring the application of the merit principle through a comprehensive audit of competitions held under delegated authority. A full audit report will be made once a year by staff of the Commission to the Civil Service Commission Board and the Deputy Minister of the department concerned, along with recommendations for improvement of the system where required.

It should also be noted that employees have the right, under the terms and conditions of the collective agreement, or the regulations under The Civil Service Act, to request reasons why they were not selected for a particular position. And this has always been there - will always be there - and submit a selection dispute to arbitration for appeal if they feel they have not been fairly treated. Everything is in place. All we've done, Mr. Chairman, is improve the system.

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

MR. URUSKI: Mr. Chairman, it seems the Minister would like to wash this issue under his desk and try to indicate that since the Act does allow for delegation of authority, that members on this side, and I in particular, should really not be so critical of his government for making the moves that they desired in this area - moves which he indicates will improve the system, Mr. Chairman.

Mr. Chairman, there is no one on this side that is indicating that the authority for delegation of powers does not exist. What I have been saying is that the Minister, in making the changes that he has made and allowing the departments and the Ministers responsible for those departments to do the effective hiring without the day-to-day monitoring of the Commission, without the Commission being involved in the recommendations of the candidates that would be involved in the competition, then I say, Mr. Chairman, the Minister, while he may have the authority on the Act, he not only has to make the Act, his Act, appear to be right; not only has it got to be right, but it also has to appear to be right, Mr. Chairman.

And for the Conservative Party, and the Minister of Labour, who says that, well, now it's going to be the Deputy Minister who is going to be making those decisions. Mr. Chairman, who fires or hires the Deputy Ministers? And who in government, when he brings in a Deputy Minister, does not bring one of his particular persuasion and his particular philosophy to make sure that the policies that his government and his Ministers announce or annunciate, that he will carry them forward. Certainly, I would not want to suggest that the Deputy Ministers would not be, not want to be of the persuasion and at least to take clear directions from the Ministers responsible. We know what happened in October of 1977, Mr. Chairman, how the axe fell around this building. The Minister of Labour doesn't have to sit there, smug, and say, "Well, you know, probably it's a good thing that it happened." Well, Mr. Chairman, the fact of the matter is, the principle that they talked about that will remain within the Civil Service, certainly is gone out the window as far as I am concerned. The Minister certainly hasn't been able to demonstrate to my satisfaction, and I'm sure not to the people of the province, that because he has signed those agreements with those departments, that everything will be up and above board, Mr. Chairman.

We know how this government acted with the Civil Service when they came into office, Mr. Chairman. We know the moves that they made in respect to the hirings

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and firings within the Civil Service. Now, the Minister says, "Well, it will be the Deputy Minister who will make the decisions." Mr. Chairman, I want to tell him; when I was the Minister, it was the Deputy Minister in most cases in many departments that did make the decision then, in many cases. --(Interjection)-- the Minister says, "What's new?" Well, Mr. Chairman, the fact of the matter is that the Deputies do have the direction from the Minister responsible, and there is no doubt that with the Civil Service Commission not being involved in the selection process, at least in my mind, the control for the selection process has gone out of hand. There is no way, I believe, Mr. Chairman, that the Commission will be able to stand up and say that the merit principle will remain within the Civil Service.

Mr. Chairman, I would like to know what kind of auditing and monitoring procedures are in place or have been in place that the Commission has developed, Mr. Chairman. Now, we have five departments that have been set up in government, five personnel departments, some of which I presume there would have been some staff available in the system prior to this change. What kind of staff change-around has there been as it relates to Commission staff, as it relates to new staff, in the departments? Has there been a saving of personnel, in terms of decentralizing the hiring process? As the Minister says, that will be a much better procedure that has been involved. How many people have been hired in the departments to do the personnel functions, and how many people of the Civil Service Commission have been either transferred to those departments or their jobs have become redundant as a result of this changeover in those five departments, Mr. Chairman?

I believe that the Minister has to stand up in this House and indicate how, in a very detailed way, how this process with those departments is going to operate or has been operating? Right from beginning to end, to at least be able to, I think, put on the record whether the system they've set up is efficient; whether or not to challenge the statements that I have made. I'm prepared to take that challenge, Mr. Chairman, that maybe my remarks may have caused the Minister some discomfort. But I want him to show me - I think it's incumbent on him to show me how that system is better than the old system, how efficient it is, and how the merit principle is still remaining within the Commission when the entire process of hiring is now done by the Minister and his department, rather than with whatever input he's going to tell us is from the Civil Service Commission.

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

MR. CHERNIACK: Thank you, Mr. Chairman. I couldn't help but rise, after hearing the role of the Deputy Minister in the hiring process that has been described by the Honourable Minister in his very superior and sarcastic manner, which I heard today and which, apparently, is new to him in this year's Estimates. But regardless of whether it's new or not, I couldn't help but recall and wish to recall to him the role of the Deputy Minister as the Deputy Minister must see it under the present Conservative government. --(Interjection)-- Pardon?

MR. MacMASTER: Well, is it your opinion?

MR. CHERNIACK: Mr. Chairman, the reason I'm standing and speaking is that I'm stating my opinion, and I don't need the Minister to tell me that I'm stating my opinion. I would not state his opinion; I would let him state his opinion. But let me just tell him that it's not my opinion alone, it is the opinion not only shared by people who are no longer connected with government, but I believe it is shared by Conservative people in this province of Manitoba, large "C" Conservatives, who I know are absolutely embarrassed, were absolutely embarrassed and continue to be embarrassed by the manner in which this Conservative government dealt with civil servants of the level of Deputy Minister and below.

I bring that to his attention because it is not I alone who has reacted to that, and I have to tell him that the Deputy Ministers of today's Conservative government have every reason to shake and quake because of the threat that hangs over their head by this government. The reason I say that, Mr. Chairman, is that I was one of those who was rather active when the NDP took over the reigns of government, and I see now that we were much too gentlemanly and too considerate, in relation to the Deputy Ministers that we inherited from the previous government

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and accepted the fact that their integrity should not be challenged or questioned.

I don't think that we discharged one of them, not one. But I remind the Honourable Minister, who was created and sworn in as a Minister on a Monday noon hour. Some 48 hours after, his leader, who was not even a Minister or Premier at the time, summoned him to his office on a Saturday afternoon - three Deputy Ministers - and told them, within a 10-minute period, each separately, that they were out on the street and were to be out on Monday. A man who took that position before he had the authority so to do, a man who was not sworn in and did it in such an arrogant way, as to leave nothing but a foul taste in the mouths of those who witnessed anew - not only witnessed personally; I think only Derrick Bedson witnessed it, is what I believe I was told, and I don't how he felt about it - but I would say, a foul taste in the mouths of all those who heard about it.

The First Minister still seems to take pride, because every so often when he makes his speeches from his seat - most of his speeches are from his seat - the name of Orlikow comes bounding across here. This is one of the great glories that he accomplished, was to treat Lionel Orlikow, and Bill Janzen and Nordman in that arrogant, inhuman fashion. But that's not all. This government proceeded to fire other people in the same way. They fired Goodison, and I recall - I made the remark while the Member for St. George was speaking - that the predecessor to this Minister had nothing to do, she said, with the firing of her Deputy. That was, of course, the prerogative of the First Minister, who I believe, joyfully took on that role.

But they fired that Deputy Minister; they, or he fired that Deputy Minister, just as I believe with great delight, they fired Bateman, another person in a senior capacity; just as they fired or used a cute legal trick to dispossess Mr. Duncan, the former Civil Service Commissioner; as they fired Frank Syms, and let me say, Mr. Chairman, just aun paissant, that Conservatives are taking great pleasure in knowing that Frank Syms left the New Democratic Party. But regardless of how he did it, or why he did it, I believe that he did one of the really good jobs in Manitoba, in bringing the Liquor Commission up-to-date, and I think that he is to be commended in the way he managed to make great advances in Manitoba's attitude to the use of liquor, and mainly, table wines, which he dealt with in such a way as to make them more acceptable, and to replace hard liquor.

And I mention that for another reason, Mr. Chairman. I think it's generally known, but if it isn't known to members of this committee, I make it known to them now, that when the Liquor Commission position became open, it was first offered to my predecessor in office, as Minister of Finance, to Gurney Evans, and after he turned it down, Frank Syms was appointed. Let that be known when they talk about political appointments. One of the early political appointments that we offered to make, was to appoint Gurney Evans to that post. I mention that because - I don't fault him for not taking the job; obviously he found something more attractive - that's the extent of the patronage that we are being accused of.

Don Vernon is gone. Then there was a whole list of civil servants just below the category of Deputy Ministers, and I may have overlooked one or the other. There is no doubt, in my mind, that the way this government dealt with the senior civil servants was disgraceful then, continues to be disgraceful and, I believe, adversely affects the independent feelings that a Deputy Minister ought to have. And I say that, Mr. Chairman, recognizing fully, that the Deputy Minister does not have and should not have tenure. I believe that the Deputy Minister is directly responsible to his Minister and has to reflect his Minister's role. At no time, should a Deputy Minister be used by a Minister to slough off, in any way, any sense of responsibility, because a Deputy, whatever he does, is done on behalf of, in the name of, and presumably with the full concurrence of his Minister. So that, Mr. Chairman, what I said in criticism of the way the Conservatives dealt with it, was not the fact - not the fact - that they dispensed with the services of Deputy Ministers but the way they did it.

Imagine, Mr. Chairman, being called in and told, "Clear our your desk tomorrow, we'll fight about severance pay in months and months to come." That is the way this government dealt with it, and that is what I think permeates the civil service sense of security under a Conservative government.

MR. CHAIRMAN: (a)--pass. The Honourable Minister.

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MR. MacMASTER: In an effort to answer some of the questions, first of all, I concur with the Member for St. Johns that possibly there are some shivering and shaking Deputy Ministers after the publicized threat by the President of the NDP for the province of Manitoba, that once they got in - God forbid they ever do, and I don't think they're going to for many many years to come - but once they got in, people were going to be getting out in a hurry. He made that pretty clear publicly, others have joined him with that.

The MGEA is aware of this agreement, for the member's edification. They are aware of what we are doing. The departments - the member has asked if there is any great new numbers being added. He should recall - and, again, in kindness I say it was a period of time ago, but he should recall the majority of the departments that were mentioned did in fact have personnel people within them. What we're trying to do, Mr. Chairman, and what I've tried to get across to him, is we're trying to build the strength of those personnel departments.

There are some very distinct advantages, and I'd like to point out a couple, ones, that because it's new, he might not have thought of it, and that's not meant sarcastically, that's just a fact. The delegation, we'll reduce without question, the turn-around time of staffing vacancies thereby achieving greater efficiency and productivity of service. If it can be done within the departments, and they have a good sharp operating personnel department, you can fill a position, be it a Highways' person or a clerical person or whatever, you can fill it a lot faster, rather than - and no deference meant to the civil servants with me - but rather than going through the bureaucracy that is now in place. No question, you can speed up the filling of positions.

The delegation will strengthen the role and authority and accountability of department personnel managers. A very key role. I have often said over the years that personnel people, a good president of a company might have his chief accountant or marketing-type person on one side, but to be really running well, I think the personnel person should be right standing beside him; and that so often is not the case.

The delegation will allow the Civil Service Commission to concentrate on broader corporate policy issues such as equal employment opportunity, development of maintenance of government-wide personnel standards. The delegation will provide the basis for the audit of personnel practices in departments and allow the Civil Service Commission to strengthen its role in monitoring and reviewing personnel management in government. The delegation will provide a clear delineation between the role of the Civil Service Commission and the role of the departmental personnel management.

Now, the member wanted to know some of the audit functions. For each position filled under this agreement, a file, for audit purposes, shall be kept, consisting of: The current job description; all advertising data; all applications received; list of selection criteria; list of board members; list of questions asked at the interview; selection committee rating of each candidate; method of screening out applicants; copy of letter of offer and any amendments; other related correspondence, for example, requests for and replies to reasons for non-selection.

The Civil Service Act grants the Commission certain authority and discretion in determining their policies and the methods of operation. Our government has accepted - we have accepted the recommendation of the Commission in this particular area - they recommended to us. At a joint council meeting between ourselves and the MGEA, it was discussed. It was agreed that this is the way we should go. We respect their judgment and independence in these matters, which is another example of how we do not intend to interfere politically.

Now, the Commission has made the recommendation; the MGEA understands it and agrees with it, and we have accepted it. I don't know how much more the member wants to hear.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MRS. WESTBURY: Thank you, Mr. Chairperson. I wanted to ask some questions and have some discussion on equal employment opportunities. I have here a copy of a brochure about women, the March/April issue, which is printed by the Minister's own department, in which there is an article by the Civil Service Commissioner

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which deals very frankly with employment opportunities within the civil service. I think some of the points that the Commissioner has made need to be reiterated in this forum, so I will excerpt briefly some of the portions of the article.

He says, "The provincial government, being one of Manitoba's largest employers, employs large numbers of women, most of whom are in clerical positions. The government also is considered a potential employer by many women when contemplating re-entering the work force." A little later, he says, "In my opinion, the specific issue of equal employment opportunity for women, at least within the Civil Service setting, does not necessarily parallel that of other under-representative groups such as natives or the physically-handicapped. Within these latter groups, access to employment and obtaining jobs are the main issues. The major problem confronting the majority of women in the civil service who are interested in career advancement is not necessarily obtaining employment, but rather, achieving upward mobility out of the administrative support and service categories and into the technical, professional and managerial ranks. As with the majority of major employers today, the Manitoba Government is underrepresentative of women within the managerial and professional categories. By far the majority of women within the Civil Service are employed within such female stereotyped positions as administrative and secretarial support and service worker categories.

"Over the past year, as Civil Service Commissioner, I have been somewhat surprised at the very small number of questions or complaints directed at the issue of equal employment opportunity for women. This is not to suggest that I was expecting to be flooded by such grievances, but rather than I had anticipated the degree of expressed concern would be more indicative of the reality of the statistics and publicized reports regarding the lack of promotional opportunities toward professional and management positions for career-oriented women in the workplace.

"On the other hand, I am not prepared to suggest that the absence of such a response is an indication that such a problem does not exist in the Manitoba civil service. One only has to examine current statistics to prove the contrary."

I think that many of us who are concerned with the upward mobility of women in the workplace are very much appreciative of the frankness of this article by the Commissioner. Now I see that in the Annual Report of the Civil Service Commission on Page 13, under Equal Employment Opportunity, there's a statement to this effect: "As outlined in this report, the Civil Service Commission, through the Development and Training Branch, has specifically designed and presented training programs to provide management development skills for women and, in addition, 63 percent of the participants in the Summer Workshop Programs were women."

Now, I would like to ask the Minister, if I may, what encouragement is his department giving to the women in the Civil Service who wish to take further training or further education to improve their position? Some government jurisdictions and many private companies give assistance to women and others to improve job-related educational standing. Sometimes this assistance takes the form of paying for the courses that they are taking, or paying a part of the cost of courses that must be taken; sometimes it takes the form of allowing time off from the job to study for exams and so on that students, of course, must take. I would be very interested to hear just exactly what the Minister can tell us about the encouragement that the Commission and his department are giving to women and others who are trying, through education, to improve their status in the workplace, Mr. Chairperson. Thank you.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Chairman, I was here when there was some debate concerning patronage in the Civil Service, and I wish to come to the defence of myself with regard to that position, Mr. Chairman. Because I believe, Mr. Chairman, and I have said it frequently, that any government that wishes to govern, that in the area of senior positions, they should find competent people, but they will govern much more effectively if they find those competent people amongst their friends rather than amongst their enemies. If the New Democratic Party comes to power in this province in two year's time, which I think and hope that they will, if they permit the senior civil servants to be people who are not completely in tune with their ideas as to what the government should do, then they don't deserve to govern, and electing them will have been a waste of time.

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Now, Mr. Chairman, I don't know everything that went on, but I do wish to come to the defence of myself with regard to one particular statement that has been made. I believe we operated as a Cabinet. I believe that things had to be approved. And I can tell you, Mr. Chairman, that I did not offer the post of chairman of the Liquor Control Commission to Gurney Evans, and that if that name was presented to Cabinet, it is my opinion that it would not have gone through. Therefore, if there is any suggestion that there was a firm position that Gurney Evans was going to be the chairman of the Liquor Control Commission, I say only in defence of myself, Mr. Chairman, and in defence of the government of which I was a member, that that was not an offer which had any Cabinet approval, to my knowledge, and it has been represented here as having been such an offer and, since it has been done in that way, I'm entitled to defend myself, which I consider it is a defence, to say that my government, to my knowledge, did not make such an offer.

I'm not saying that different people could not have made that suggestion, but it certainly didn't go through the Cabinet of the New Democratic Party.

MR. CHAIRMAN Order please. The hour is now 4:30. I am interrupting the proceedings for Private Member's Hour and will return at 8:00 o'clock this evening. Committee rise.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now in Private Members' Hour. I presume the other Committee has risen; I see the Minister in here now.

The first item of business on Thursdays is either Private or Public Bills; but having no bills, we are now in Resolutions. The first Resolution on the Order Paper is Resolution No. 1 by the Honourable Member for Inkster, standing in the name of the Honourable Member for St. Boniface. He has 15 minutes left to speak.

The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, on a point of order. In view of the honourable member being absent, can this matter stand and drop down?

MR. SPEAKER: The matter would require unanimous consent of the House as it contravenes Rule 22, Sub 3. Is there unanimous consent to let the matter stand and drop to the bottom of the Order Paper?

The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, perhaps if somebody wishes to speak, I'm sure there would be unanimous consent to come back to the Member for St. Boniface after other people have spoken. But if there is unanimous consent, then it doesn't matter.

MR. SPEAKER: There is a possibility that someone might move an amendment and that would prevent the honourable member from speaking. Is there unanimous consent to let this matter stand? (Agreed) That Resolution, then, will stand and move to the bottom of the Order Paper.

Resolution No. 3. The Honourable Member for Churchill. The Honourable Member for Churchill not being here, we will proceed to Resolution No. 5, the Resolution of the Honourable Member for Brandon East.

RESOLUTION NO. 5 - REFINANCING OF MCKENZIE SEEDS COMPANY

MR. SPEAKER: The Honourable Minister of Fitness and Amateur Sport has five minutes left.

HON. ROBERT (Bob) BANMAN (La Verendrye): Thank you, Mr. Speaker. It becomes pretty difficult, when you are dealing with this topic, where we've seen so many things happen over the last number of years, to really get into the full swing of things in five minutes. But, Mr. Speaker, let me just make a few brief comments at this time.

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When I was speaking several weeks ago to this particular resolution, one of the things that I commented on was the fact that there were certain things that were given to me to look after when I took over this particular portfolio and this particular company, and one of them was the refinancing problems of McKenzie Seeds. As I pointed out, Mr. Speaker, the previous government had been dealing with this particular problem over the last number of years. As far back as 1974, the chairman of the board, the legal advisers to the then Minister, the Member for Brandon East, all indicated that the company was under-financed, and that its equity-debt ratio was not acceptable and that there would have to be something done with regard to the company.

When we took over, Mr. Speaker, we realized that that problem was persisting, that it was getting worse because of some of the losses sustained by the company and the building up of the inventory over a number of years and, as a result, started to explore several ways in which to try to make this company more viable. One of them, Mr. Speaker, of course, was to invite tenders from people who possibly would be interested in acquiring the company through a partnership equity or a sale proposal, Mr. Speaker, all the time, of course, keeping in mind the fact that this industry was supposed to stay in Brandon and provide jobs to the people of Brandon.

After having a look at the different correspondence, Mr. Speaker, and reviewing some of the interesting statements made by the then Minister and the Member for Inkster, who was then the Minister in charge of the Manitoba Development Corporation, we find that every year the former Minister of that particular portfolio, or having the responsibility for McKenzie Seeds, constantly kept avoiding the particular issue of refinancing. Now, however, Mr. Speaker, we see suddenly that he must have had an overnight change of heart. When the government changed, they suddenly started advocating the changing of some of the loan portfolio into an equity position. Mr. Speaker, every time that particular comment came up, the Member for Inkster really started in on that particular thing. And maybe the problem for the refinancing was the Member for Inkster, because he really indicated that it was six of one, half a dozen of the other, and I sort of quote him on that. And, Mr. Speaker, I agree with the Member for Inkster on that.

However, Mr. Speaker, I think it is irresponsible for the Member for Brandon East to say that if he would have been in government, that he would have recapitalized it a long time ago, and they would have done it two years ago; if they would have stayed in power, they would have done it. I suggest to you, Mr. Speaker, that the Member for Inkster, had he stayed with the party and not gone to sit where he sits right now, would have definitely fought that move and I suggest to you, Mr. Speaker, he would have won that argument. Because, Mr. Speaker, for the last four years that the gentlemen opposite were in power, the Member for Inkster won that argument, because those facts were before the Minister that was in charge of it at that time, and I'm sure that every time he discussed it, the Member for Inkster said, "No, I don't think we want to do that."

I say to you, Mr. Speaker, that it's a pretty cheap political ploy when the Member from Brandon East gets up and says that he would have refinanced it if they would have been government, and it's really all our fault. The reason the company is doing bad is that they've got too high a debt ratio and it really isn't losing money if you would give them a grant for the interest, because really that's what you are doing. The interesting thing - and this a beautiful thing about Hansard - when you read back in Hansard, that's exactly what the Member for Brandon East said May 16, 1977, before the Standing Committee on Economic Development and I quote - this is the Member for Brandon East: "I think that everybody agrees that there is a question of appropriate equity ratio to be covered with this particular subject. Of course, if we would provide some equity it, Sir, would be more of a bookkeeping item than anything else, because it still wouldn't effect the income, the net earnings of the company before these other deductions."

And here he goes on, him and the Leader of the Opposition, go on and say that this is going to save the company, the refinancing is going to make a difference. To the taxpayers of Manitoba that own that company, Mr. Speaker, that does not make one iota of a difference. However, Mr. Speaker, let me indicate that I find that one of the biggest problems . . .

MR. SPEAKER: Order, order please. The Honourable Minister's time is up. The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I'm up again in this debate because the honourable member has made certain predictions as to what I would have done and what I have not done, and I have to tell the honourable member that his predictions are wrong. Not because what he says I said I did not mean, and what I still mean. Let us look at the situation of a company that has \$1.00 in share capital and \$10 million in loan capital, and assume that I am lending them the money. If interest rates are 10 percent and the company pays me a million dollars a year, then I am earning 10 percent on the \$10 million and the company, Mr. Speaker, will show no profit. They will show no profit. They will be paying a million dollars a year in interest charges to a shareholder who has advanced a loan rather than equity. If, on the other hand, Mr. Speaker, I say to the company that I am going to give you \$10 million in equity instead of \$1.00, every year you will show a million dollar profit if you earn the same million dollars. It is a bookkeeping item and makes no difference. What the Honourable Minister has mislead people about is that the company doesn't have enough equity capital. That's been said by the Minister. It's been said by the Conservatives and it's been said by certain financial imbeciles who write for some of the daily newspapers, that it would make a difference if the capital was changed.

Now, Mr. Speaker, I want to say that I would have recapitalized it. I would do it today. Not to satisfy me, not to satisfy the Member for Brandon, not to make more money for the people of Manitoba, but to satisfy some financial imbeciles, that's all, so they would stop talking about it. Because it makes no difference. And for the Honourable Minister, we did it before. The auditor was complaining that the MDC always showed a loss, and that therefore it should be given equity capital. And I said if you insist, we will do it, but when doing it I will tell the people of the province of Manitoba it doesn't change the financial picture by one cent. I would have got up in the house, if the Member for Brandon West wanted to do it, and I would have said that since McKenzie Seeds is now paying \$750,000 a year in interest on \$7 million in loans, or whatever the figure is, since people are raising hell because it's not earning a profit, and since they think it will be profitable if you change the loan to equity, and instead of paying the interest to the government you will have no dividends declared on the capital and the company will show a profit.

If that, in some people's minds, if you have to get through the thick skull of a Progressive Conservative by doing that, do it; but not to make the company more viable, because there is no change in the viability of the company. The only change in the viability of the company, Mr. Speaker, is if they needed additional working capital, wanted to get it, couldn't get it because of their debt position, couldn't go to the banks, couldn't go to another financial institution because they were overweight in debt. And if that's the case and the government is willing to give them the additional money in loans, then it doesn't make any difference again. So the viability has nothing to do with the company.

Mr. Speaker, that's the way J. P. Morgan made companies viable. He said to all of the people who had debentures and who had loans and who are demanding interest, if you want this company to survive, you have to change your debt to capital and hope that the company thrives, and eventually you will get dividends. And therefore they had to forgive their interest. But it doesn't change the viability of the company. It could change people who are making demands, but if the government is not demanding repayment of the loan and is saying to the company that as long as you pay the interest we are not demanding repayment of the loan, or even if you don't make the interest, we are going to stand by you, you haven't affected viability. What affects viability is if you have better sales, more sales and less expenses. That affects viability.

If you take your income side and increase it, and take your expense side and reduce it, you make money. That's what my grandfather, who was a pedlar, taught me. I didn't have to go to a school of commerce to understand that. He said if I buy something for a dollar, and my expenses to operate are 50¢, and I sell it for \$2.00, I make 50¢. And everything else, Mr. Speaker, falls into that. And if you buy something for a \$1.00 and sell it for 90¢, you are losing money. But, if you put in equity capital instead of loan capital and one person pays the interest rather than the other person paying the interest, you don't make money, not for anybody except accountants. The accountants make money because they draw these

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things. And therefore I tell my honourable friend, who says that what I'm saying is correct and has said so during the years that he was in the opposition, who acknowledged these facts, that if he is saying that on the basis of those simple facts, he is predicting that I would have stopped the refinancing of McKenzie Seeds, he is wrong. I would have permitted it, but I would never have said that it's going to make the company more viable. I would have said that this is done, not for the purpose of viability, this is done for the purpose of stopping some imbecilic comments that are being made by people who don't understand. That's what I would have done.

So what are the facts, Mr. Speaker? I read in the paper that the company can't operate because it's overloaded with debt. In the meantime, it's been operating, it's been paying the debt, and showing a profit in addition. And therefore, if you turned the loans into equity, the profit would be that much higher by the amount of interest that has been forgiven on the loans. It's a simple mathematical equation, but it doesn't change the viability of the operation. And, Mr. Speaker, therefore, what is the problem? Why does this government insist on going to the people of the province of Manitoba and tell them that Mackenzie King is a terrible problem; it's overloaded with debts. McKenzie Seeds. What did I say? Mackenzie King. --(Interjection)-- I think in those days, there wasn't that much debt.

Mr. Speaker, as long as Mackenzie King . . . McKenzie Seeds was paying all of its interest on its bank loans, was paying all of its interest on its MDC loans, and was still showing, after payment of those things, an excess of revenue over expenditures, it was a very viable company - and it did that for several years. It did that for most of the years, I believe, that it was operated in between 1969 and 1980. I'm saying that now as a guess. I believe it was most of the years. There was no problem with it. Even Mr. Clement said that we would like to have the refinancing, it makes our books look better, but we're not insisting on it, we'll keep on operating on the basis of our existing operations. They never said they needed more capital because they wanted to do different things, and if they did, I'm sure it would have been considered.

But why is the Progressive Conservative Party insistent on talking about this as if it's a terrible company. It was a good company, and it's wrong to say that the government was negotiating its sale, and it's also wrong for the Minister to say that we sold Brett Young Seeds without tender. Brett Young Seeds was never under the control of the government of Manitoba. It was always under the control of the board of directors of McKenzie Seeds, who bought it without asking and sold it without asking as a business transaction. Maybe it was right they didn't ask us, because they made money on that particular sale. The Member for River Heights laughs. I can tell you, Mr. Speaker, that we only, I think we only went under Part C with three or four companies, where we said to the board of directors of MDC, we're not asking you, we're telling you. We'd like you to make this loan.

One was McKenzie Seeds, which I think has stayed viable during the years we said that; the second one was the Leaf Rapids Development Corporation - you never hear a word about that because it's operating and doing well, and has kept costs down for people in Leaf Rapids. The third one was Tantalum Mines, which was the best thing the MDC ever went into. And the fourth one, Mr. Speaker, was Saunders Aircraft after they had invested \$21 million, after they invested 21, not up until they had invested 21. So that the government track record was not bad in terms of the things that we actually dealt with ourselves. And McKenzie Seeds was one of them.

Mr. Speaker, the honourable member says, we wouldn't have financed McKenzie Seeds. But he will refinance McKenzie Seeds. He will refinance McKenzie Seeds, he will find some rugged individualist, flexing his muscles, talking about how great he is, and how competent he is, and he will say to that person, McKenzie Seeds now has a debt of how many dollars? What is the McKenzie Seed debt to the MDC? --(Interjection)-- \$3 million to the MDC. He knows it very well. You know why he knows it? --(Interjection)-- No, that's not why he knows it. He knows it because he's going to write it off, and he knows in his mind how much he has to write off. --(Interjection)-- Yes, but he knows that there is \$3 million to the MDC, Mr. Speaker, he knows that figure immediately, and I tell you, I am suggesting that he knows it.

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Mr. Speaker, I was the Minister, I forgot it and I'm not ashamed of having forgot it. But he knows it. And I'll tell you why he knows it. He knows it because he knows how much he is going to write off, and therefore he's going to say that he didn't refinance McKenzie Seeds, he wrote off the loan. That gives that company to the private person who flexes his muscles an immediate grant, an immediate grant of \$450,000 a year at today's interest rates, \$300,000 at 10 percent, plus \$150,000 because we're talking, aren't we even talking 20 percent now? Let's keep up with the times, Mr. Speaker. It's a grant, an immediate grant of \$600,000 a year to that company, just as he did with Morden Fine Foods. He gave Morden Fine Foods an immediate government public grant, hidden on the books, never shown as a loan, of \$350,000 a year, Mr. Speaker . . .

MR. SPEAKER: Order please. I believe we're talking about McKenzie Seeds rather than Morden Fine Foods. The Honourable Member has six minutes.

MR. GREEN: Mr. Speaker, I'm talking about what the Minister's track record is. He was talking about my track record. His track record is, he can make money by writing off loans. And if you write off the loans, you don't any longer show them as a receivable and you don't show . . . Mr. Speaker, if you write off a loan of \$3 million, when he says you don't lose it, you have accepted in perpetuity a \$300,000 a year loss forever. The only thing that you have done is, you have no longer shown it on the books. You no longer show it on the books, because the \$3 million is still out, you lose \$300,000 in interest every year you don't get it back, but if you take it off the books, you stop counting. All you do is stop counting, Mr. Speaker. --(Interjection)-- We'll deal with that. The Speaker won't let me deal with it now. He stopped me. I went over to Morden Fine Foods, which is not far from McKenzie Seeds, he won't let me. So you can't get me. But we'll deal with that. We'll deal exactly with the hydro thing.

You know, if someone wanted to count that way, they would say that Sir Robert Roblin, when he lost \$1.8 million on this building in 1920, the way they used to count, how much we've lost every year on certain companies, if you count \$1.8 million in 1920, how much money do you think it is today? If you start saying the interest on it and every year compounded. I don't know, but it's an awful lot of money we could blame on the Conservatives.

So the way of stopping the blame is to write it off. The member is right. You write it off. After all. It's true. Saunders Aircraft, we stopped counting at \$40 million, or 42, around there - we stopped counting. But the losses are still there. But the honourable member is going to do with McKenzie Seeds, he is going to say to this buyer, this nice guy, this rugged individualist, this free enterpriser, he's going to say, the first thing we're going to do is give you a free prize. This is the free prize society. Not free enterprise, free prize. You will get a free prize of a \$3 million write-off to the MDC, and that will improve your operating statement by \$450,000 minimum per year, and maybe \$600,000 per year if we're dealing at 20 percent interest rate. Now you also have an indebtedness to the bank. And the indebtedness to the bank may be another, how much is the bank? Another \$5 million.

Now, it's okay for the people of Manitoba to bear a \$5 million expense to the bank, even though it's being paid every year, but we really would like you to take this company off our hands. It's a terrible embarrassment to us. It pays its interest, it pays its capital, and even shows a profit, and we've told the people of Manitoba that the public cannot make a profit. And then when it comes and does it, it makes us look a little silly. So, in order to get you to take this company over, we will take that \$5 million that you owe to the bank, and we'll cut it in half. We'll split it 50-50 - we'll be partners. We'll now pay \$2.5 million to the bank. I hope I'm accurate in my figures. We'll find out how accurate I am when they open up these tenders, or when they say what they've done.

But I say that they will take off 50 percent of the indebtedness to the bank. So they will take \$3 million to the MDC, another \$3 million to the bank or thereabouts, that's \$6 million, that in interest which will be saved by this company will be in the neighbourhood of a million dollars, say \$900,000.00. Then, after one year's operation, they will say, look how good private enterprise is. We used to lose \$200,000, or the last statement we lost so much money on McKenzie Seeds, or we only made \$100,000 on McKenzie Seeds. But this man, in one year, he's

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turned that company around and he's got a profit of \$800,000.00. A genius. My friend from St. Vital says, he's a genius.

And that's what they will say, Mr. Speaker, because that's what they have said about these other companies. They are viable in the private sector. Cybershare, it went bankrupt in the private sector. They folded the doors, they closed up. The public took it over, worked on it and made money. The Conservatives had a company with a black balance sheet; they said, we can't stand this. We can't permit this. So they got rid of the company; now they say it's doing well in the private sector. When did it report to a House? What do we know as to how it's doing? When were they asked to open their statement?

They did the same with Morden Fine Foods, Mr. Speaker. Morden Fine Foods wasn't started as a socialist experiment. Morden Fine Foods was because a particular canning company found that they could rip the public off on some tax concessions if they located in Morden. As soon as the tax concessions stopped, they closed the doors, left the place high and dry. That was the capitalist experiment. And the Member for Brandon West said we have to do something and went in there and we ran the company. We had some bad years, and some years which we didn't do so badly.

MR. SPEAKER: Order please. The honourable member's time has expired.

Are you ready for the question? The Honourable Member for Brandon East will be closing debate. The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I enjoyed listening to my friend and colleague in the Legislature, the Member for Inkster, because I agree with most of what he says and I will not go back on what I said earlier on and the Minister has quoted me, and that is that viability has to be there, and no amount of financial juggling is going to add to it or take away from it, so there's no disagreement on that.

I want to, having said that, there are some reasons why one would not be doing a disservice to the public of Manitoba by refinancing the company at this time. What I am mainly concerned with - and again, I share the same views as my colleague from Inkster - I am mainly concerned that the government does not sell this company, because I believe it has made, over the years, a very substantial contribution to the province of Manitoba, to the provincial economy, and will continue to make a contribution to the provincial economy of Manitoba, and has done exceedingly well as a publicly-owned enterprise. And I really think this is what's bugging my honourable friends on the other side. They just can't stand a publicly-owned and operated company making money, being viable, contributing jobs, contributing to the economy of Manitoba, because, as far as I am concerned, Mr. Speaker, McKenzie Seeds has indeed been a good success story as a publicly-owned and operated enterprise in the province of Manitoba.

Mr. Speaker, not only is it making a contribution, but its contribution has improved over the years. Unfortunately back in 1967, 1968, we have the documents for it, going back, memos from one Minister to another showing that the government of the day, I guess it was the government of Walter Weir, had decided in their wisdom to dispose of the company. They had made a decision in Cabinet either to sell the company or to liquidate it - that was the phrase. The Cabinet decision was to sell it or to liquidate it, because they didn't like exactly what was going on at that time and the company was having some difficulties. And as it turned out the government did hire consultants, including a Mr. Swanson, I believe A.W. Swanson, a consulting firm, and indeed this person was given the job of getting it ready for sale.

He was successful in finding a buyer, namely Ferry Morris Incorporated of United States, which was prepared to buy the company and made an offer, if I recall, of around \$200,000, and with no guarantee to keep it anywhere in the province of Manitoba beyond two years. Of course, Mr. Speaker, there is every reason for that company at that time, as indeed there is a reason for a private company at this time for wanting to move it out of the province, and that is because it is a market-oriented business. McKenzie Seeds is in the packaging business and it sells the vast bulk of its product, the vast bulk of the packaged seeds, to Ontario and Quebec. In fact it is the only national company and it has something in the order of 75 percent of the Canadian market, and I would dare say that 2/3

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of those sales are in the central provinces of Ontario and Quebec. And probably as a private organization, as a private company, one would be inclined to remove it from the province of Manitoba, and move it to Toronto, or Hamilton or what have you, because there you could make even a greater profit on your investment, because there you are in the centre of your market, and indeed many of the materials that you use for packaging, many of the materials you use to prepare the seeds for sale actually come from that area.

So you are bringing in the materials from Ontario; you are bringing in the seeds from the United States, from Europe and elsewhere, and you are fairly well bringing in everything into the city of Brandon, into the province of Manitoba, at which point the packaging is done and the administration is worrying itself about the merchandising and so on. But all the planning, the merchandising planning, the selling strategy, as well as the packaging goes on in the city of Brandon. And from there they must sell to the Canadian national market. So I say, Mr. Speaker, there is every reason for a private company to want to move it out of the province of Manitoba.

But I really believe that this company is an embarrassment to the government because it has been successful. Since 1968-1969, Mr. Speaker, the number of jobs has increased. At the peak - it is a very seasonal business - at the peak of the season around 1968-1969, I dare say there were no more than about 90 employees on the payroll. Whereas today, at the peak of the season, it will be somewhere between 225 and 240 persons. The payroll is in the hundreds of thousands of dollars, making a very substantial contribution to the local economy, and indeed to the Manitoba economy.

The company has had a very successful and still-developing catalogue business. The catalogue business is thriving very well, and I would say that there are other signs too that the company is thriving and will continue to be the No. 1 package seed in Canada.

I believe that over the years it has shown some losses. In some years it has shown a profit, even after paying a large amount of interest, and I dare say that we have already been forewarned of the large loss that is going to be shown this year. I don't know what kind of bookkeeping magic will go on, it is possible that bookkeeping changes will occur, and they may even try to show a bigger loss than there would be shown normally. But I say, Mr. Speaker, that basically this is a viable company, and we should do everything to protect, to protect it in the sense that we shouldn't allow it to pass into private hands and goodness knows what will happen thereafter.

I think, on the question of refinancing, one of the reasons why one would want to refinance is that there is a lot of misunderstanding on the debt situation of the company. One of the reasons it has a large debt is because it purchased Steele Briggs Limited, which was a good decision, back around, I am not sure, I think around 1971-1972, I am not quite sure of the date. But it purchased Steele Briggs and I think that was a very good move. Steele Briggs was available for sale and the company purchased it with a bank loan and this loan is still on the books and the interest is still being paid. This is one of the reasons for the particular debt situation.

There is a lot of criticism, people point the finger because they see at the bottom line these red figures after payment of interest, but nevertheless, Mr. Speaker, I want to remind members opposite that the company, at least to date, has paid every nickel of interest that it owed to the MDC, or indeed to the Bank of Montreal. If it hasn't paid the interest, I would like someone on the other side to stand up and tell me, because it has paid its way. It has not been a burden to the taxpayers of Manitoba. No way has it been a burden to the . . . as a matter of fact, it has made a very substantial contribution to the revenues of the Manitoba Development Corporation. It has paid hundreds of thousands of dollars, hundreds of thousands of dollars of interest to the Manitoba Development Corporation over the years. --(Interjection)-- What's that? Well, alright, but the McKenzie Seeds is paying a higher rate of interest than the MDC pays for that money. Are you saying the MDC borrows the money at a rate of interest higher than it charges McKenzie Seeds, or indeed any other borrower? Surely not, surely not, and the Minister knows otherwise. The MDC is making money, the Minister can't deny it. The MDC has made and is making money on McKenzie Seeds. It has made a net contribution to the Treasury of Manitoba, there is no question about that. Anyone who

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disputes that, I would invite them to study the operations.

The Board of McKenzie Seeds, I understand, has asked the government, in going along with the bid system or the bidding that was invited last summer, I believe they made a recommendation or a requirement or a suggestion to the government that they would go along with the sale at that time, providing that if the company wasn't sold the government would immediately refinance the company and meet the wishes of the Board. Now the government has decided in its wisdom not to sell it to any of those five, and has not to date met the request of the Board for re-financing.

The other one argument, I believe, that the - I don't know whether the Member for Inkster has considered this or not, but one argument for refinancing is that, instead of paying hundreds of thousands of dollars to the Bank of Montreal every year, we could pay it to ourselves. I think that would be beneficial to us. --(Interjection)-- Well, they pay thousands of dollars, hundreds of thousands of dollars to the Bank of Montreal for many years, and if there was a . . .

MR. BANMAN: Where would we get the money from? Where would we get the money from?

MR. EVANS: Mr. Speaker, I have to remind the Minister again, who is speaking from his seat, that McKenzies has paid a greater rate of interest than the government borrows. There is a differential. Oh, I think so, I think so. So you have made money and you will continue to make money from McKenzie Seeds.

But really, Mr. Speaker, what bothers me is that the Minister sits there, or stands there, and makes all these demeaning remarks about the company. Instead of boasting about the company . . .

MR. BANMAN: I never said anything bad about it yet.

MR. EVANS: Well, you haven't said anything yet. Mr. Speaker, I . . .

MR. BANMAN: I haven't said anything bad.

MR. EVANS: Mr. Speaker, I heard statements that he has made in the city of Brandon --(Interjections)--

MR. SPEAKER: Order, order please. Following the advice of the Honourable Minister of Government Services, I would ask all members of the House to give the Member for Brandon East the opportunity of making his contribution.

The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. As I was saying, Mr. Speaker, it is regrettable that the Minister in charge of McKenzie Seeds has to make public statements which belittle the company. You know, talk about morale, I consider that McKenzies has a good a staff and as a good as management as you find anywhere, and it has indeed an excellent and dedicated board of directors. But I tell you, after they read the statements that the Minister makes in the papers, or after they hear them on the television or the radio, I just wonder to what extent that morale is sagging. Because, after listening to the doom and gloom of the Minister, I don't know how any employee could sit or stand at his job being certain that he was going to have a job the next week or the next month. As a matter of fact, there are cases where employees, their lives have been adversely affected by the threat that has been made through government action over the past seven or eight months, from the time that it advertised nationally, right across Canada, in major newspapers inviting purchasers to buy it. In fact, I heard of one case where the person couldn't get a bank loan for some necessary family expenditure, because it was found out that he works in McKenzie Seeds and the banker wasn't sure that that person any longer was worthy of a loan.

Mr. Speaker, the fact is that the debt equity ratio is not normal, that the Government of Manitoba acquired the company through legislation which dates back to 1945, the Crown of Manitoba, the government of Manitoba, has never put one penny of equity into the company. It has loaned money, it has guaranteed loans, for which it has also received interest payments, but it has never put any equity

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into the company. I think that there is an argument to be made to have a more normal debt equity ratio.

But ultimately, Mr. Speaker, what it takes is a determination on the part of the Minister and on the part of the government to support this company to make sure that it stays in the province of Manitoba, to make sure that it continues to be the great national company that it is today. It is known from coast to coast. It is the one company, it is one of the very few companies that we have operating in Manitoba, that is known from coast to coast. Everyone buys McKenzie-Steele Briggs packaged seeds, whether you live in St. Johns, Newfoundland or Victoria, B.C. You can walk into Eatons, you can walk into Woolco, you can walk into the Dominion Store, and buy McKenzie Seeds, because all of the national chains carry the products, carry the packages of this company. It is no wonder that, when there was a threat of sale and all the other problems that arose last summer, it was carried on national news, because it is a national company. I say to the Minister, get on with the job of supporting the company, get on with the job of supporting it, building it up, and cease and desist efforts to sell.

I am dearly afraid that, as the Member for Inkster was suggesting, this Minister and the government will find some way to dispose of it. I regret that this is happening, and I particularly concerned about the company they are dealing with in Ontario, Bohmer Box, headed up by a Mr. Besant who used to be here in Winnipeg, I believe, with MacLeods Company and is known by certain people in the government, is a former Winnipegger I guess. But I see no reason why that particular company can lend anything to the McKenzie Seeds operation, none whatsoever. As a matter of fact, it is an unknown company, and I believe its merchandising strength is less than that of McKenzie Seeds. As a matter of fact it could probably learn a lot from McKenzie-Steele Briggs Company, rather than the other way around.

I think that it is very very questionable as to type of arrangements that seem to be in the making, one doesn't know, but that seem to be in the making. I do not think that it would be in the best interests of the company. What I do believe, Mr. Speaker, would be in the best interests, is if the government gets on with the job of recapitalizing it as I have suggested here, and to show their good faith to the electorate, to the people in Brandon, to the people in Manitoba, that they will keep the Premier's promise not to sell the company, and that they will ensure that it remains a viable operation for years to come.

Thank you.

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

MR. MERCIER: On a point of order, Mr. Speaker, with respect to this resolution, I don't believe this has been raised yet. The resolution recommends refinancing and therefore, Mr. Speaker, I would humbly suggest that the resolution is actually out of order without a message from . . .

MR. SPEAKER: Order, order please. The point of whether or not there's a recommendation, there is no obligation and therefore that was considered when the resolution was first allowed. We are now at the point where the resolution has been debated, debate has closed. I'm now prepared to put the question to the House.

QUESTION put MOTION carried.

MR. FOX: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. The question before the House is the proposed motion of the Honourable Member for Brandon East.

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

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

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

WHEREAS McKenzie Seeds has an inappropriate financial structure, and

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

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

All those in favour of the Motion please rise.

A STANDING VOTE was taken, the results being as follows:

YEAS

ADAM	CORRIN	HANUSCHAK	PAWLEY
BARROW	COWAN	JENKINS	SCHROEDER
BOSTROM	DOERN	MALINOWSKI	URUSKI
BOYCE	EVANS	MILLER	USKIW
CHERNIACK	FOX	PARASIUK	WALDING
			WESTBURY

NAYS

ANDERSON	DRIEDGER	HYDE	MERCIER
BANMAN	EINARSON	JOHNSTON	MINAKER
BLAKE	ENNS	JORGENSEN	PRICE
BROWN	FERGUSON	KOVNATS	RANSOM
COSENS	FILMON	LYON	SHERMAN
CRAIK	GALBRAITH	MacMASTER	WILSON
DOMINO	GOURLAY	McGREGOR	

MR. CLERK: Yeas 21. Nays 27.

MR. SPEAKER: I declare the motion lost. The Honourable Attorney-General.

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

MOTION presented and carried, and the House adjourned and stands adjourned until 10:00 o'clock tomorrow morning (Friday).