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**DEBATES
and
PROCEEDINGS**

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Speaker*



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LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, 9 March, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

**MINISTERIAL STATEMENTS
AND TABLING OF REPORTS**

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I have a brief but happy statement to make to the House. Mr. Speaker, I am sure that you, Sir, and all Manitobans are extremely proud of the spectacular victory by the Kerry Burtnyk Rink, in winning the Canadian Brier Curling Championship yesterday. I am sure that all Manitobans will want to join us in extending congratulations and lauding the sportsmanship and the skill of the Assiniboine Memorial Club's youthful rink of Kerry Burtnyk, Mark Olson, Jim Spencer, and Ron Kammerlock. They have again put Manitoba in the very forefront of the curling game by bringing back to the province the Canadian Title, I believe for the 21st time in the history of the Brier. The best wishes of Manitobans go with them for continued success as they compete in the Silver Broom World Championship later this month.

May I also extend special congratulations to the Assiniboine Club for the outstanding and unprecedented feat of having captured two national championships within two weeks. Two weeks ago, it will be remembered, Kerry Burtnyk's clubmate, Mert Thompson, skipped his rink to win the Canadian Junior Championship.

I would also, Sir, observe that Brandon has been selected as the site for the 1982 Brier, and that the Burtnyk victory this week will create added excitement as Manitoba defends the Championship Tankard on home-ice next year.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, I too, would like to extend our pleasure and I am sure this is shared by all members of this House, on the spectacular victory that indeed was achieved by the Kerry Burtnyk rink yesterday.

Mr. Speaker, we too, are most anxious to see this rink proceed to compete in the Silver Broom World Championship and I am sure that all Manitobans will be with this rink in heart, in seeing this rink proceed towards victory at the Silver Broom World Championship, and all our thoughts go with them in their endeavours.

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

HON. GARY FILMON (River Heights): Mr. Speaker, I would like to table the Annual Report of Activities under Sections 113(1) and 114 of The Insurance Act.

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside) introduced Bill No. 39, The Ecological Reserves Act. (Recommended by His Honour the Lieutenant-Governor)

MR. ARNOLD BROWN (Rhineland) on behalf of Mr. Len Domino (St. Matthews), introduced Bill No. 40, An Act to amend The Chartered Accountants Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to introduce to the House, 12 students of Grade 12 standing from Precious Blood School in the constituency of the Honourable Member for St. Boniface. On behalf of all the honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, I'm sure that we would like to express favourable comments in respect to the Minister of Economic Development's decision this morning to launch a review of the Rural Small Enterprises Program, and I want to therefore ask the Minister, when was the decision made on the part of the Minister to launch the review of the program? Was a decision arrived at just this past Saturday, or was it determined some time back; and if it was determined some time back to review this program, which has been in operation for over two years now, why did the Minister not make this announcement during the review of its estimates?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, the review of the program was commenced approximately two-and-one-half months ago on the basis that is required in the agreement to have a review of the program and it has been commenced.

MR. PAWLEY: Mr. Speaker, then further to the Minister: Can the Minister advise whether or not the review will be of an independent nature, done by those outside his department or will the review be done by the very officials that are presently administering the program?

MR. JOHNSTON: It's being done by an independent group, Mr. Speaker.

MR. PAWLEY: Mr. Speaker, then further to the Minister: Can the Minister advise us as to who is doing this review?

MR. JOHNSTON: Mr. Speaker, I will get that exact name for the honourable member before the Question Period is over.

Monday, 9 March, 1981

MR. PAWLEY: Mr. Speaker, then further to the Minister, is the Minister committed to continue in this program for five years or is the Minister prepared, consequent upon the results of his review, to scrap this program and replace this program by a program that will indeed embark upon some form of economic strategy that will provide the small business community of Manitoba with some assistance in dealing with their rising interest rates and dip in retail sales, rather than the program, as one businessman commented upon the program in Saturday's paper, a program that in fact demonstrates that this government is sticking it to the small business community in the province?

MR. JOHNSTON: Mr. Speaker, the program has had 145 applications approved, which is a total of \$2.7 million, by the Federal and Provincial Government which goes into the economy and the building up of small business in Manitoba; but \$2.7 million is not really the correct figure, Mr. Speaker, because we only put in 50 percent and the applicant puts in the rest. There has been \$7.1 million invested in rural Manitoba, Mr. Speaker.

The Small Business Program was a very small part of the Enterprise Manitoba Program to assist small business in the Province of Manitoba, within the rural area of Manitoba, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I, too, would like to address a question to the Minister of Economic Development. Inasmuch as there are reports that \$2.7 million of government money has been spent thus far on the Rural Small Enterprise Program with relatively few jobs being created, and since there is some suggestion that many recipients of grants would have started up or expanded anyway, will the Minister assure this Legislature that steps will be taken immediately to see that procedures will be tightened up so that there will be less likelihood of moneys being squandered in the future?

MR. JOHNSTON: Mr. Speaker, the guidelines were tightened up approximately six to seven months ago. First of all, the gentleman, to the Leader of the Opposition, who said he referred to the province leading him down the wrong path, and I don't think those are the exact words; I can only say that the Leader of the Opposition, the Member for Selkirk, asked for a report on that particular business and he was given a complete update on it, I believe no more or less than a month ago. I have asked my department this morning if there's any further news to what he has already and we would certainly provide it for him, Mr. Speaker.

The guidelines of the program definitely have in the pamphlet that is distributed that the person would certainly have to have the funds to advance the business. Mr. Speaker, the unpublished guidelines, which the applicant has to send to the department, will be on my desk this afternoon and we will be taking a review of that.

I can only say, Mr. Speaker, I don't think anybody would really apply for assistance if he didn't have some ideas of expanding.

MR. EVANS: Thank you, Mr. Speaker.

Well I'd like to the Minister a supplementary question, and I might add that there is a direct quote of a firm stating that they would have expanded anyway.

My question relates to Arc Stone Enterprises of Brandon, Mr. Speaker. A representative of that company, which is now unfortunately in receivership, has indicated that his company was forced to expand to take advantage of the grants.

How many firms, Mr. Speaker —(Interjection)— well this is the report in the paper. They were forced to expand to stay afloat. So my question is, Mr. Speaker, the people of Manitoba, who are paying for these grants, have the right to know; how many firms in Manitoba are taking advantage of these grants and are being forced to expand, simply in attempt to stay afloat?

MR. JOHNSTON: Mr. Speaker, I know of nobody who has been forced. The person applies for a grant and the Arc Industries referred to in the paper were the comments of the foreman. I've asked the department to check into that statement regarding that very thoroughly so that I will have the report on my desk. I also think the people of Manitoba should have the comments from the owner of the business, not just the foreman.

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

MR. EINARSON: Thank you Mr. Speaker. I'd like to address another question to the Minister of Economic Development; a supplementary question.

MR. SPEAKER: Order please. A supplementary question? The Honourable Member for Brandon East.

MR. EINARSON: Yes, a supplementary question, Mr. Speaker. Is it correct that Mr. Clair Coburn of Atom-Jet Industries in Brandon, who is reported to have received a small enterprise grant is also one of those individuals who was selected to comment on the Manitoba situation in the Minister's television advertising program on why we should stay in Manitoba? And if the Minister is not sure, would he verify that this indeed is the same individual?

MR. SPEAKER: The Minister of Economic Development.

MR. JOHNSTON: Mr. Speaker, the government didn't select anybody. The advertising company went out and asked people in different areas to make comments. Yes, I believe, Mr. Coburn is the person who owns Atom-Jet.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Speaker, my question is for the Minister responsible for Autopac and, Mr. Speaker, the 1980 Annual Report of the Manitoba Public Insurance Corporation stated that Autopac has spent approximately \$1 million on the improvements to the Eaton Place location. Can the Minister advise whether there have been any

additional expenditures on that property since October 31st, 1980?

MR. SPEAKER: The Honourable Minister of Government Services.

HON. WARNER H. JORGENSEN (Morris): Mr. Speaker, may I suggest to my honourable friend that you place that question before the Board when they appear before the committee which I hope will be very shortly.

MS. WESTBURY: Well, Mr. Speaker, I was addressing the question to the Minister responsible rather than to the Board who were appointed by the government and it was my understanding that the Treasury benches usually answer questions of members of the Opposition benches. Is the Minister then not prepared to answer any questions relative to Autopac, Mr. Speaker?

MR. JORGENSEN: Mr. Speaker, any matter dealing with the administration of Autopac is a matter that I believe would more properly be answered by the board or by Mr. Dutton. And since provision is made for them to appear before committee to answer questions such as that, it would seem to me that would be an appropriate opportunity for my honourable friend to get answers to all her questions.

MS. WESTBURY: Well then, Mr. Speaker, I wonder if the Minister is willing to answer a question relative to the government's policy on property on which the government holds the lease and I refer particularly to the Bank of Montreal Building at Portage and Hargrave on which the government held a lease effective until November 1982, and can the Minister then tell us please what the present status of that lease is, according to government policy, and to what use that building is being put at the present time?

MR. SPEAKER: The Honourable Minister of Government Services.

MR. JORGENSEN: Mr. Speaker, I'm afraid that I am going to have to take that question under advisement in order to determine just precisely the property that she is referring to.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I would like to direct a question to the Minister of Natural Resources. Due to the fact that de facto the International Joint Committee has now ceased to exist because President Reagan has not replaced the resigning members, and that there is only one person left who is on the International Joint Commission Board, can the Minister ascertain as soon as possible whether these steps in any way represent a danger that perhaps the United States is not giving its same commitment to the International Joint Commission, which is the only effective protection that the Province of Manitoba has with respect to the flow of waters from the United States to Manitoba?

MR. SPEAKER: The Honourable Minister of Natural Resources.

MR. ENNS: Mr. Speaker, I believe really the concern is premature in this instance. It's a long traditional practice of appointed persons in the American system to resign when the administration changes. Not a bad practice, by the way, Mr. Speaker. Really at this point in time there is absolutely no indication that the present administration in Washington does not intend to appoint members to the Joint Commission; I would suspect that is the case. The Commission, of course, is one that is called for by the treaty arrangements of the Boundaries Water Treaties between the two countries, and it would only be if these appointments were not made that we would have cause for concern.

MR. GREEN: Mr. Speaker, on a supplementary question. In view of the fact, and I am only able to say this from media accounts, that in the past the resignations have been announced concurrently with new appointments, and this time the resignations have been announced and there have been no concurrent announcements of new appointments, could the Minister ascertain as to whether or not there is any concern on Canadian parts with regard to this procedure?

MR. ENNS: Mr. Speaker, I would be happy to pursue that question with Ottawa officials. I would have to presume that with such a goodly number of items pertaining to the work of this Commission, not just the Garrison Project here in Manitoba, but the acid rain question in central Canada, that the need for the Commission being fully staffed, fully manned, would be apparent to both countries involved. But I will take the advice of the Honourable Member for Inkster and attach that concern along to any other concerns that we will be advising External Affairs re the pending visit of the President this week.

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

MR. GREEN: Yes, Mr. Speaker, in view of the Minister's present solicitude with regard to the existence of the International Joint Commission, which we regard as a civilized way of dealing with these questions, would the Minister also think it useful to contradict, to repudiate, the cavalier way, in which the Province of Manitoba through his predecessor, sought to satisfy some petty political differences in Dominion City, by repudiating the report of the International Joint Commission, with regard to the Roseau River and therefore putting all activities in Canada's view, with regard to International Joint Committee reports, which we should be endorsing, rather than repudiating, so that the United States will not take similar action and repudiate reports which they don't happen to agree with.

MR. ENNS: Mr. Speaker, I have learned long ago, in this House, that the Honourable Member for Inkster has a favourite debating technique and that is to make an assumption first of all, and assume that assumption is right. I don't accept that assumption in this instance and therefore his subsequent eloquent argument doesn't follow through.

Monday, 9 March, 1981

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: My question is to the Minister of the Environment.

Last Saturday there was a leak of hydrogen sulphide from a tank car on the CN line in the town of The Pas, and I wonder if the Minister could tell the House exactly what happened in that case and what involvement or what action was taken by his department, or will be taken by his department.

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

MR. FILMON: Thank you, Mr. Speaker. The information that I have received from my officials on it indicates that a CN train headed for Thompson made a stop in the rail yards at The Pas on Saturday and that the car was owned by Montana Sulphur of Billings, Montana and was being shipped to INCO.

It contained hydrogen sulphide and a slight odour of hydrogen sulphide had been detected in the yards. CN personnel contacted the local fire department, who in turn, contacted Canutek in Ottawa. They in turn contacted EMO and the duty officer contacted a representative of our Provincial Environmental Control Services.

Workplace Safety and Health were duly notified as well, and levels of emission were checked in the air surrounding the car and in the yard and it was determined that they were not at any hazardous levels. Our understanding is that all of the cars were checked out and the shipment and they were satisfied that whatever caused the incident was repaired and it took about 30 minutes for that. The train was then released at 3:00 a.m. to continue on to Thompson.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister can confirm that this toxic, and under certain circumstances explosive chemical, was leaking in an area which is located beside a bulk gas and oil storage area and also near two residential areas.

MR. FILMON: Mr. Speaker, I cannot confirm that at the present time.

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

MR. McBRYDE: I wonder if the Minister of the Environment could confirm whether this was the same chemical being shipped by the same chemical company, to the same mining company, that leaked in the same area about the same time last year, and whether the Minister could tell us whether the Province of Manitoba in his Environmental section, will be investigating this incident or whether they'll be leaving it entirely up to the CN to investigate the problem.

MR. FILMON: Yes, Mr. Speaker, in fact I've asked my department to provide me with additional information and to look into the incident further.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: My question is the Minister of Labour, and I'd ask the Minister if he can inform the House as to what action he or his department is taking in response to the allegedly widespread practise of some temporary help agencies, failing to forward unclaimed wages and unclaimed benefits to the Provincial Government, as required under The Payment of Wages Act.

MR. SPEAKER: The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Well, Mr. Speaker, we read with some confusion the same article I think the Member for Churchill read. I say confusion because the article that we read in the paper today is so incomplete and so incorrect that our department didn't really know how to go at it.

We are presently going to contact the writer of the article, the reporter and the newspaper and review with them the confusion of facts and the lack of facts and the incorrectness of the particular article.

MR. COWAN: Thank you, Mr. Speaker. Perhaps the Minister can then be more specific as to what is confusing his department and himself in this article and what inaccuracies they have been able to find in that article and provide the House with that information at this time.

MR. MacMASTER: Mr. Speaker, I don't wish to waste the time of the House of going through what our department has found as inaccuracies as relates to that article. We intend to talk to the reporter who wrote the article and talk to the newspaper themselves.

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

MR. COWAN: Mr. Speaker, I would almost be certain that the Minister would want this to be made public, as it has already been made public through the media, and that he would want to use every opportunity that he has, to correct the public record. We would ask him specifically; we do not consider it a waste of the House's time. We'd ask him specifically right now, to point out exactly what inaccuracies were found in that article . . .

MR. SPEAKER: Order please, order please. The question is repetitive and I would suggest the Honourable Member has already asked the question previously.

The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. Perhaps I can rephrase the question. I would ask the Minister if, as well as meeting with the media reporter, he is going to direct his department to investigate the situation because they have said in the newspaper that they don't have the staff available to make routine investigations and therefore there must be special investigations; I'd ask him if he is going to direct his department to make special investigations in order to ensure both himself and this House, that there is not any widespread abuse of the process.

MR. MacMASTER: Mr. Speaker, if you were to go by the headlines and go by the story, you would believe that there was widespread abuse of this particular situation. We're satisfied there is not widespread abuse of the situation and we're also satisfied that the story is again, I repeat, fairly, completely, incorrect.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

HON. LLOYD G. HYDE: Thank you, Mr. Speaker, I'd like to direct a question to the Minister of Agriculture, if I may. Can the Minister report to the House on the announcement of the \$15 million distributing storage plant being built at Bloom Siding just west of Portage la Prairie, for the storage of anhydrous ammonia?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, to the Member for Portage and the rest of the people of Manitoba, I hope to give it a lot better coverage than the weekend paper gave it in the City of Winnipeg. When in fact, Mr. Speaker, we see an investment of some \$15 million to service the agricultural community in rural Manitoba, I'm indeed very pleased.

MR. SPEAKER: Order please, order please. I would appreciate the co-operation of all members of the Chamber, so I can hear the answer, anyway.

The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, it's interesting, again the members opposite do not want to sit and listen when something positive happens in rural Manitoba. We are indeed pleased, Mr. Speaker, that the confidence is there to service the agricultural community. I notice in the Portage paper where in fact they gave them tremendous coverage and we are pleased to see that kind of development is taking place in Portage la Prairie.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, just by way of a further question to the Minister of Agriculture, I wonder if the Minister of Agriculture could advise, rather than damning the press for their failure to report, just what has happened to that quarter of a million dollars worth of communicators that his government have hired in the last few months.

MR. DOWNEY: Mr. Speaker, I did not really criticize the press for not having it, I was indicating where it happened to end up in the press, but it's unfortunate that the only time members opposite can talk about fertilizer or something that would support the farm community is a leak that takes place in The Pas that in fact is under control by the people who are handling it.

I think, Mr. Speaker, that the people of Manitoba can judge on where the positive input is coming from and I have to say that I am pleased that it's coming from this side of the House and I am pleased that those kinds of announcements are being made.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Labour and it arises out of reports that the nurses at the three municipal hospitals are considering going on strike now that the City of Winnipeg has rejected a memorandum of agreement that supposedly was accepted by both sides. I would like to ask the Minister if he's investigated this matter to determine whether in fact there has been bargaining in good faith on both sides?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Mr. Speaker, the parties themselves are in the negotiating process and whether the nurses have taken to strike or not, that doesn't deter the fact from the possibility of negotiations with all parties.

MR. PARASIUK: I would like to ask the Minister if he in fact has reviewed this situation in view of the fact that it is not the first time that the City Council has turned its back and rejected, in the first instance, an arbitration award with respect to firemen, and now in this instance, a memorandum of agreement that supposedly was reached through their negotiators at their instructions, and now that it became public they've turned their back on that particular memorandum of agreement, leaving the whole situation in limbo, and the public facing a very serious situation as a result of that.

Is he satisfied that collective bargaining took place in good faith in that first instance, and took place in good faith in this particular instance?

MR. MacMASTER: Mr. Speaker, I can understand the difficulty of the Member for Transcona not understanding the negotiating process, never having been there. He has to appreciate that what has taken place today, in my opinion, is in fact part of the negotiating process.

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

MR. PARASIUK: Seeing as how the Minister of Labour isn't particularly concerned whether in fact we have a strike at three municipal hospitals that will further plug up other hospitals with elderly people, I'd like to ask the Minister of Health, if they have developed any contingency plans to ensure that elderly people in the three municipal hospitals will indeed be looked after and will not plug up unnecessarily other hospitals through their removal because of a breakdown in the collective bargaining process?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): No, Mr. Speaker. I was asked that question I believe on Friday, and I replied that we have developed no contingency plans in the conventional sense. I said on Friday, and I repeat, that the province doesn't intend to see the chronic care long-stay patients in the municipal hospitals, including polio patients, deprived of their nursing care.

Monday, 9 March, 1981

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Mr. Speaker, I would like to address my question to the Attorney-General and ask him whether he's received any communications from the Energy and Chemical Workers Union, Local 681, in respect to a complaint that indicated irregular practices by the RCMP in apprehending and stopping a number of pickets?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I received a letter from Mr. Martin of the Federation of Labour.

MR. FOX: Would the chief law officer indicate whether he will be having an investigation to consider whether there was due process in respect to enforcement on the highways of Manitoba?

MR. MERCIER: Mr. Speaker, I have asked my department to review the allegations that are contained in that letter.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. My question is directed to the Minister responsible for the Manitoba Housing and Renewal Corporation. A headline report in last Friday's paper indicated that the January housing starts in Winnipeg were down 47 percent from last year. I wonder if the Minister could inform the House what is the situation with housing starts in February compared with February last year in the City of Winnipeg.

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

MR. FILMON: Mr. Speaker, I thank the member for his question. I would like to say that the February housing starts in Manitoba as compared to the January housing starts in Manitoba for this same year, were up by 175.7 percent. Further to that, Mr. Speaker, the change of February 1981, as compared to February 1980, showed an increase of 484.8 percent.

MR. SPEAKER: The Honourable Member for Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Speaker.

MR. SPEAKER: Order please, order please. The Honourable Member for Rossmere.

MR. SCHROEDER: My question follows on the previous question. First of all, I trust that those aren't mobile homes being readied to leave the province, but whatever they are, in view of the fact that he has these statistics ready at this time, can he tell us what the percentage increase from February of 1977 to February of 1981 is?

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

MR. FILMON: Mr. Speaker, I'll take that question as notice and bring that . . .

MR. SCHROEDER: Thank you, Mr. Speaker. Could the Minister advise as to the increase in February of 1981 over February of 1978 then? I'm sure he would have that at his fingertips.

MR. FILMON: No, as a matter of fact, Mr. Speaker, I don't have that right at my fingertips, but on the other hand I do have the information that indicates that from February 1980 to February 1981, in Saskatchewan housing starts were down 26.9 percent.

MR. SPEAKER: Order, please. The Honourable Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Speaker. Just so we can get the percentages into some perspective, I wonder whether the Minister might tell us how many houses were built in Manitoba in February of 1981?

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

MR. FILMON: 484.8 percent more than in 1980.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Speaker, I wish to direct this question to the Minister of Agriculture. This question is on behalf of the farmers of Manitoba, who are in the production of dairy butter and those who may wish to get into that business. I wonder if the Minister of Agriculture has had any consultation with the Federal Minister of Agriculture and the Canadian Dairy Commission in regards to the prices that farmers are receiving for dairy butter and if he has not had discussions with him, whether he could inform the members of this House whether he will have discussions to decide whether increased prices on dairy butter could be realized as compared to the price of other dairy products?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I have concern about some of the developments that are taking place within the Dairy Industry, particularly on the process of consultation between Federal and Provincial Governments. I've had a letter from the Federal Minister of Agriculture to discuss the national dairy policy, but in that letter, Mr. Speaker, he invited the Milk Producers Marketing Board of Ontario, he invited the Milk Producers of Quebec to participate, as well as the National Farmers Union to sit in and participate in that meeting; but he did not see fit to invite the Provincial Government to participate, but in fact sit and observe what was going on; something, Mr. Speaker, that I do not think is in the best interests of the Federal-Provincial negotiations and I think he's got his thinking somewhat reversed. It should be all the dairy farmers of Canada as well as, Mr. Speaker, the Provincial Governments and have such organizations as the Farmers Union and Farmers Organizations sit as observers at this particular time. I am going to be looking forward to further discussions with the Federal Minister on such important issues.

MR. EINARSON: Mr. Speaker, I thank the Minister for his answer. In view of that answer and because of the problems I recall having, when I sat on that side of the House insofar as the producers of butter were concerned and also in regards to the plants throughout the Province of Manitoba in the production of butter, and the concern that they had of their elimination because of the lack of concern the Federal Government and previous Provincial Government had in regards to the farmers producing dairy butter, I wonder if the Minister will inform this House as to whether or not he's going to also take those things into his discussions when dealing with this particular problem.

MR. DOWNEY: Mr. Speaker, the point that has to be made is that when we do discuss agricultural policy, and particularly with the dairy industry because there is a large segment of it controlled by the Federal Government, that in fact that we do put the case of the Manitoba dairy farmer before the Federal Government and we plan to do that, Mr. Speaker, in a very effective way.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Consumer Affairs and congratulate him on the construction of that duplex, which certainly helped the figures in construction in the past year. Can he give us the number of housing units constructed in January, however, rather than the percentages and a comparison of the past year?

MR. DOWNEY: Yes, Mr. Speaker, the number of units constructed in February of 1981 was 193.

MR. DOERN: Mr. Speaker, I would also like to ask the Minister if he has any idea of how many houses or housing units were demolished in the same month or destroyed by fire?

MR. DOWNEY: Mr. Speaker, I'll take that question as notice.

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

MR. SAMUEL USKIW: I would like to ask the Minister of Agriculture whether he would care to clarify for the Assembly a statement that he gave with respect to the role that he thought the Canadian Wheat Board should be playing on behalf of the Grain Producers of Western Canada, and whether or not he considers the Wheat Board Advisory Committee of any use in its present form?

MR. DOWNEY: Well, with some of the recommendations that are coming forward, Mr. Speaker, I would think that some of the recommendations should be questioned. The reason I say that is because they have supported the return of all the feed grains to the control of the Canadian Wheat Board, which in fact would force Western Canadian farmers to sell their grain to Eastern Canadian feeders at less money than they can get on the international market. That was the case last fall. I

don't know what the specifics are at this particular time, but I think with that kind of advice the farmers of western Canada would be a lot better if they didn't have it.

MR. USKIW: Mr. Speaker, now that the Minister has confirmed that he sees no useful role for the present Advisory Committee to the Canadian Wheat Board, what is he recommending that should replace that Advisory Committee, whether it should be another producer group and whether or not he believes that the elected process to that Committee is not working to the advantage of the Canadian farmer?

MR. DOWNEY: Mr. Speaker, as the Member would try and have the public believe, I did not say that the Advisory Board could not play a useful role, I was more talking about the advice that they were giving the Canadian Wheat Board. I think there's a lot more room for farmers to have input to the Canadian Wheat Board, something that they do not have today. I think that there are many instances where in fact the policies that are being followed by the Canadian Wheat Board are policies of the Federal Government. The appointed senators who do not represent any farmers in Western Canada. In fact, I think, Mr. Speaker, there should be some major changes that would give farmers the proper input and control into their marketing board for their grains, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lac du Bonnet with a final supplement.

MR. USKIW: Mr. Speaker, I want the Minister to confirm or otherwise the fact that elected advisory committees to agencies such as the Canadian Wheat Board are considered to be the approach and the best way to get across to the Wheat Board Commissioners the rank and file, or what others would call grass-roots viewpoint of how the Wheat Board ought to be operating, and if that is not satisfactory to this Minister, I wonder if he could clarify for us just what methods he would propose since he has no confidence in the Advisory Committee as it's presently structured, Mr. Speaker.

MR. DOWNEY: Mr. Speaker, there are one or two difficulties that I see with the Advisory Committee and that, of course, is that there are grain companies as well as producers at large elected to the Advisory Board and I think that that's a concern that many people have had, that it is in fact controlled by the Grain Companies, that's one concern of the particular setup.

Another one is, Mr. Speaker, as I've indicated many times, I do not believe with the policies that we've seen coming from the Wheat Board, that in fact it's representing those farmers who are the — it's supposed to be working for their best interests. As much as it is in the areas of our other producer boards, which operate within the provinces, where in fact they are represented by producers who are elected to those boards, whether it's the Dairy Board, whether it's the Broiler Board, whether it's in fact the Turkey Board or the Egg Board, they are producers representing themselves in opposite ways in which the Canadian Wheat Board represents the

Monday, 9 March, 1981

farmers through appointments by the Federal Government without the control of any farmers having any say, just as advisers to that particular body.

MR. SPEAKER: Order, please. Time for Question Period having expired we'll proceed with Orders of the Day.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, if I might just advise the House of two matters. Firstly, it is likely that on Wednesday of this week we will introduce Interim Supply after dealing with the Bills that are on the Order Paper that day, and one other small change with respect to the order of the Estimates that I've discussed with the Opposition House Leader; following a completion of Consumer and Corporate Affairs and Environment and Finance in the House, Education will follow Finance and precede Energy and Mines.

Mr. Speaker, I move, seconded by the Honourable Minister of Natural Resources and Mr. Speaker, do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Radisson in the Chair for the Department of Consumer and Corporate Affairs and Environment, and the Honourable Member for Virden in the Chair for the Department of Labour and Manpower.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — LABOUR AND MANPOWER

MR. CHAIRMAN, Morris McGregor (Virden): I believe it was left off last week . . . and the Member for Churchill has first signal and I see the Member for Logan is trying, maybe signal as to which one wants the floor; I am quite willing. The Honourable Member for Churchill.

MR. COWAN: Mr. Chairman, will we go directly into Civil Service?

MR. CHAIRMAN: The Member for The Pas.

MR. McBRYDE: Mr. Chairperson, my question to the Minister relates to some quite lengthy comments I made earlier in terms of the safety of logging truck drivers and my intention was to take the Hansard and send it over to the Minister of Highways as well, so he could fully aware of that situation. I think that is one time that our debates didn't record, so I don't have that opportunity. I wonder if the Minister could just indicate to me whether he has an opportunity to talk to the Minister of Highways about that problem of logging truck drivers having to climb on their loads when they are overloaded or whether he has had an opportunity to explore that further, and if he hasn't, whether he will do that with the Minister of Highways.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Mr. Chairman, once I get through with my Estimates, I hope to explore that, not only just in passing conversation but to have a good talk with the Minister of Highways on it. It was for your sake, Mr. Chairman, I considered it a very valid point that the Member for The Pas raised as it related to truck drivers and the dealings they have with the roads in the manner in which it's loaded and unloaded; it was a good point.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. Just briefly, perhaps the Minister can use this opportunity to elaborate upon the comments he made in the Question Period in respect to the inconsistencies in the article on job agencies and accusations that they were violating the labour law, which the Minister suggested at that time did contain inaccuracies and some confusing statements, so perhaps he can use this opportunity to be more specific in what he found to be inaccurate in that article.

MR. MacMASTER: I don't intend to be more specific except to tell the member opposite that there was a great deal of information given to the reporter by our department which was not included. There were portions of the information left out which gives the article a misleading perspective. There are facts and figures in there that by themselves give misleading information and misleading indications. The department has simply said to me that they want to review the entire article because in fact they say it's more than misleading; some portions of it are inaccurate, and we intend to thoroughly review the article; intend to thoroughly review the information that was given to the reporter; thoroughly review the entire situation of the agencies that they are making reference to, and when I have all that information, we intend to deal with it.

MR. COWAN: When the Minister has all that information, is he prepared then to provide it in a public way to the Opposition?

MR. MacMASTER: I intend to deal initially with the article itself because it is misleading, and there's no question, that information as to what the situation, I can make available, there's no problem with that at all.

MR. COWAN: If that's the case and even although we would like to discuss the matter further now and would like the Minister to be able to provide us with some more information now, I guess we are going to have to accept the Minister's reticence in respect to providing that information. I hope that it is only necessary in order to allow him time to fully appraise himself and acquaint himself with his department's objections to the article and that it is in no way reticence which would be intended to take his answers out of the public realm. Because I think as the article was a public article, it was a front page article, as it has left an impression, I believe it is important that the Minister also publicly provide his department's answer to that, whether in fact it makes the department look as if it's doing its job or

not. I think it's only fair that when an issue like this is brought forward, that the Minister be prepared to make the types of public statements on it which will clarify the issue, either that something is going to be done, if in fact there are inadequacies in the system as it exists today or that in fact the information contained in the article, according to the department, is not what it should be and the Minister would then provide the correct information.

MR. MacMASTER: Yes, I intend to do that about this article and I intend to do it about future articles. There's just been too many articles in my opinion that have left the public with a viewpoint that is not always totally correct. So I intend to research particular articles very thoroughly if the public is being misled, as I think they are in this particular article.

MR. COWAN: Well, the Minister has now opened Pandora's box, because he says or he thinks there are other articles which are misleading as well. Can he be more specific as to what he believes those articles were?

MR. MacMASTER: I didn't say others in the past; I said if there's others in the future, I intend to.

MR. COWAN: Well, the Minister is indicating he didn't say others in the past, but he said others in the future. And now not only is the Pandora's box he's opened, but he's opened as prophet and I only hope he's wrong, although all of us have to take it upon ourselves to review article as they come out and to correct them where necessary, where we believe it is necessary and try to get the right information out.

I don't want to belabour the Minister's Salary and I assure you that I have personal reasons for that, as we are shortly going into the Environment Estimates in the other committee and I will have to be leading off in there.

There are other questions that I would like to ask. I guess it will just have to wait for another opportunity or perhaps my colleagues will discuss those issues in more detail. I just want it on the record that the reason that we are not discussing them at this point, is because of the two-committee system and that some times we find it necessary for us as MLAs to miss one committee in order to live up to responsibility in another committee.

But I do want to talk about one specific issue before leaving this committee and that is in respect to the Swift's closure. And I would just like to read into the record an excerpt from a letter to Mr. Bill Blaikie, MP, Winnipeg Bird's Hill, from the Minister of Manpower and Labour, dated September 25th, 1979, in which he is quoted as saying, "Our information is that other plants in industry are operating below capacity and will be capable of handling the expected increase in the supply of livestock in regard to the Swift's closure." Yet when we find the Chairman's report from the Joint Manpower Adjustment Committee, we find that in fact there were no jobs that were — perhaps I should go back and read another quote from that to make certain that we have all information available to us.

The Minister also said, "In addition, an expected increase in livestock supply should also help to

alleviate the situation as this will enable other plants and industry to hire many of the effected workers." And yet when we get the report from the Joint Manpower Adjustment Committee, we find that in fact other industry, in the meat packing sector, were unable to hire many employees coming off of the Swift's line, and I ask the Minister if that is expected to be the situation as well in respect to Maple Leaf Mills?

MR. MacMASTER: I haven't got a viewpoint on that particular situation. I do know that it was said and I don't know where, that some of the other plants were in fact operating with less than capacity as far as stock went. Now whether they were carrying more people than was necessary and could in fact take up the extra stock which went someplace with similar numbers of employees, I don't know, and I can't tell you what will happen to the Maple Leaf situation. I haven't had the latest update on that particular committee.

MR. COWAN: Is the Minister's department doing any follow-up studies on the employees who were laid off as a result of the Swift's closure in order to determine in fact if their programs are efficient and are working?

MR. MacMASTER: Not a study per se, I haven't read the last document, I can't remember what the last document said as it related to relocation and other jobs that were available for the Swift's people.

MR. COWAN: The reason I asked these questions is because throughout the Swift's closure episode, we kept getting assurances from the Minister of Labour, from the Minister of Economic Development, and the Minister of Agriculture that this was not going to have that profound an impact on the economy and that in fact, I think the Minister's words were that the employees were going to be gobbled up by other employers and that there wouldn't be that great an impact on the individuals.

As a matter of fact, in that letter which I quoted from earlier, the Minister is quoted as saying, "While we are also concerned with events that might have adverse effects in terms of higher consumer prices, or in terms of general negative effects on the economy, we have no reason to believe that the closure of the Swift's plant will have such effects in Manitoba."

But, if you read the report and the conclusion of the Chairman's report on the Swift Canadian closure, he says, "The closing of a plant of the magnitude of Swift Canadian Limited Plant in Winnipeg has a very direct and serious impact on the local economy as a whole and a very specific and serious impact on employers in related industries and their employees who are dependent upon the plant for their livelihood as well as Swift's employees. The impact of closing the plant therefore becomes very important not only to the individual employees but to the community as a whole."

I think those are two contradictory statements and I would hope that the government would take these plant closures more seriously in the future because they are having a definite impact on the economy, they are having a definite impact on individual employees, and it's something that we will bringing

Monday, 9 March, 1981

forward during the course of this Session, I hope. I expect to be able to bring it forward during the course of this Session by way of a Private Members' Bill or Resolution perhaps if necessary, and we'll be discussing it at that time, but I didn't want to let the Estimates slip by without having those on the record, because I think they are important statements and I hope they do encourage the government to take more positive action.

Normally under this provision of the Estimates it is customary for the critic to make a closing statement of some length, and I just want to assure the Minister that I am going to make a closing statement, but because of my other obligations it won't be of that usual length. I would also assure the Chairperson that I have tried to move as quickly as possible through this portion of the Estimates and intend to follow through with that assurance to him.

I would just like to take this opportunity to welcome him back to the Chair, and note that he is looking very healthy and relaxed and rested. But the Estimates this year, Mr. Chairperson, and you missed some of them, although you were here for the most of them, have been generally disappointing for Members of the Opposition, and I think for the public as well.

There were a few areas in all fairness that we believe a good job has been done by the department, specifically in the area of the Career Resource Centre and specifically in the area of fire protection in the north and we have in very strong terms commended the Minister for his direction and his efforts. In equally strong terms, I think it's important to condemn the Minister, because he has to take ultimate responsibility for the department, where we believe they have been negligent in their duty.

We are especially concerned about what we perceive to be a lack of prioritization of activities of the department in the occupational health and safety area. We are disappointed that the Minister has chosen to reject the advice of the Advisory Council in respect to the designation of mandatory committees as provided for under the Act. As you know, as it was determined in our conversations earlier in these Estimates, the Advisory Council recommended a procedure whereby far more committees would have been developed. That advice was passed in the Advisory Council and forwarded to the Minister.

The Minister, for a number of months, and perhaps years now, has been assuring us that he was awaiting the advice of the Advisory Council, before moving on the further designation of committees. When he got that advice, it appears as if he rejected it. It appears as if he in fact took the advice of others, or perhaps made a decision on his own to proceed in the way that he did and we think that that is to the detriment of the many workers who would have benefited by a larger group of mandatorily designated committees.

The Minister and I and others have chosen to disagree on this. He believes that his process is better than the process put forward by the Advisory Council. I believe that the Advisory Council had the right idea in respect to these committees and we do feel that a disservice has been done to the thousands of workers, who would have had the

protection of mandatorily designated Workplace Safety and Health Committees, if the advice of the Advisory Council had been followed.

We also have to point out that there are no regulations under The Workplace Safety and Health Act as of yet. We had expected them. They had been promised to us by the Minister in Estimates passed. There are none. He says that there are going to be some coming forward shortly. Perhaps we will have to wait until next Estimates to see if that promise is upheld. However, given the experiences we've had in previous Estimates where those promises were made and not followed through, we are somewhat sceptical, that in fact they will be followed through in this case.

Those regulations are important. The Workplace Safety and Health Act cannot stand alone. It must be improved, it must be clarified, it must grow with our experience. Regulations are an essential part of that process. They supplement the act and without them, you are not allowing the Act to be as effective an Act as it should be.

We are especially disappointed that the Minister could not bring forward more information and highlight more progress on the two special programs, which were outlined in last year's Throne Speech; the carcinogen study program and the hearing loss study program. There are no regulations that are put before us yet, although the Minister indicates they will be coming shortly. He did that last year. The government has admitted to the priority of these programs by announcing them in the Throne Speech and yet we see that very little appears to have been done, or at least very little that the Minister can provide detail on has been done under these two programs. We said that before, we said that we felt the problems were too large for these programs to work effectively in the way in which the government was pursuing their objectives. We have said that there needed to be more people involved; that there needed to be more resources involved, and we have recognized, along with the government, that these are priority areas and any delay in them is a disservice to the workers of this province, so we have to condemn the lack of action or the apparent lack of action, or at least the lack of detail, on what has been accomplished under those programs.

In the area of prosecutions, we believe that the government has to play a more active stance, and we've discussed this matter before and we'll discuss it again, but we do think by not pursuing an active stance in respect to this concern that they are in fact allowing many reticent employers to continue not living up to the act because they know that it is unlikely that they would be prosecuted for any violations of the act.

We are also concerned that informational bulletins and newsletters which were promised in Estimates past have not been developed to the extent to which they were promised. We know that in order to fully enable workers of this province to enjoy the full benefits of the act, they have to be informed as to their rights, they have to be informed as to hazards they may face, and they have to be kept generally aware of new developments with the legislation within their own workplaces, and the informational bulletins which were promised and the newsletters which were promised could play that sort of role. We

Monday, 9 March, 1981

note there have been some informational bulletins that have been brought out and forwarded by the Minister, however, we believe that there have not been nearly enough.

We are concerned about the staffing levels remaining what I consider to be far too low in the Workplace Safety and Health Division. We would have liked to have seen an increase in staffing, more of an increase, there was an increase in staffing, but more of an increase in staffing and more of an increase in funding in order to make that program work better. It can be done. I need only mention to the Minister the increases in staffing and funding that were applied to the Career Resource Centre. I wouldn't want to take that money away from them. They play a very vital and important role, however, I do think that the Workplace Safety and Health Division was worthy of that sort of an increase and that sort of a staffing level as well.

We do not think that the government has placed enough priority on Workplace Safety and Health. We think that the statistics bear out that charge. We know that as we find more and more information out about the hazards which workers face, we know that we need to put more and more of a priority behind our efforts in protecting them at the workplace.

We are also disappointed that the Minister is not going to be appointing a Chief Occupational Medical Officer as had been promised in earlier Estimates, explicitly so. There was no doubt in my mind, because there was no room for interpretation of the statement. The Minister had promised that he would be appointing that person in short order at last year's Estimates, and we talked about it before in other contexts and he had promised before that he knew the problems and that he was going to be providing us with that requirement as under the law. The Minister is in fact in violation of the law by not following through on his earlier promises; not because he promised it, but because there is a requirement in the law that there shall be a Chief Occupational Medical Officer and there is not allowed any discretionary power on the part of the Minister; a discretionary power which he has taken upon himself. So, for that, we think he has to be severely criticized because not only is it a lack of action but it is a violation of the Act.

In respect to the employment standards and violations of the act, and the Minister refusing to make public the information which is of a public nature anyway, through filing in the county court system, we again criticize the Minister. We criticize the Minister that he has chosen to take what appears to be a very cumbersome and bureaucratic method to provide some protection to domestics in this province; that he has not chosen to erase discriminatory provisions of the law which exist now, which have existed for quite some time, I might add, and his government is not the only government to fail to deal with that problem. But we do believe that given the information of today, given the activity in other jurisdictions that this should have been action on the part of the Minister.

And again generally as to the labour statistics in this province, we have given the statistics in the beginning of the Estimates, through our opening remarks, we'll just go over them briefly again. We think that they are important because they show a

failure of the government to provide the type of innovative and imaginative programs which would encourage the development of jobs in this province. It must be noted that in 1980 as compared to 1979 our unemployment rate is up. It is higher this year than it was last year. That is at a time when the Canadian average unemployment rate stayed the same. That is at a time when five other provinces showed decreases in their unemployment rate for the same period; Manitoba's increased. That translates into an increase in the number of unemployed, 1,000 more persons on average this year in 1980 were unemployed as compared to on average in 1979. That's a significant increase in the number of unemployed; that at a time when net out-migration is taking place at unparalleled levels. Also it must be noted that the labour force growth was the lowest in the country, that it was one half of the national average at 1.7 percent, and that the increases in employment opportunities suffered a similar fate under the last year of the Conservative Government.

Those are all areas of concern to us. There are others, but as I said, unfortunately I have to be in the other committee as soon as I can, and what I have tried to do is highlight those areas which we feel should be priority areas with the government. We do not intend to belittle any of the other areas or denigrate any of the other areas of concern that we have by not mentioning them at this point, but we do believe that these had to be specifically pointed out.

I thank the Minister and the committee for the opportunity to do that. I know we will have opportunity in the future to discuss them in more detail.

MR. CHAIRMAN: Be it resolved that there be granted to Her Majesty a sum not exceeding \$1,590,400 for Labour and Manpower — pass.

SUPPLY — CIVIL SERVICE

MR. CHAIRMAN: We are now in the Civil Service Estimates, Page 21, 1.(a) — the Honourable Minister.

MR. MacMASTER: Mr. Chairman, I have an opening statement in relationship to the Civil Service Commission.

I would like to take this opportunity to review some of the activities undertaken by the Civil Service Commission over the past year in implementing government policy as it relates to personnel management.

Much of the activity of the Civil Service Commission during 1980 was directed towards the ongoing development implementation of many of the programs and initiatives that were introduced and discussed during last year's Estimates. As an example, Mr. Chairman, much of last year's debate focused on a decision of the Commission to delegate recruitment and selection of authority to certain departments, as provided within The Civil Service Act.

During 1980, ten such delegation agreements were concluded and approximately 500 competitions were successfully conducted under delegated authority. As indicated last year, these competitions were subject to close audit and review by the Civil Service Commission to ensure that the competitions were conducted in accordance with the standards and

Monday, 9 March, 1981

criteria set out in the delegation agreements and The Civil Service Act.

Some 300 competition audits were completed during 1980 and contrary to what the members opposite would have lead us to believe last year, the process has been working extremely well with departments having exercised their delegated authority both responsibly and effectively.

There has been no evidence of an increase in appeals or grievances, as a result of delegation, and administratively the processing time has been significantly decreased. Recruitment time from the start of the advertising process to a formal job offer has been reduced from an average of 56.5 working days to less than 40 working days, for those departments with delegated authority.

As each department completes one full year under the delegated authority agreement, a comprehensive audit report on the department's competitions will be completed and a formal report provided to the Commission and the department concerned.

Significant effort has been devoted by the Commission staff over the past year towards the development of a management classification and compensation plan for employees currently excluded from the various collective agreements. This excluded management professional group and government has not been reviewed or evaluated in over ten years. The objective of the classification plan is to re-establish equity and consistency in classifications among senior management positions across all departments of government.

The job evaluation process has been developed by the management consultant firm of Hay Associates Canada Limited and has been successfully and extensively implemented throughout the private and public sectors in Canada.

The evaluation of the 700 positions to be covered by the plan has been undertaken in co-operation with departmental management through a series of three job evaluation committees, which recently completed their work.

As mentioned in last year's annual report, the development of the management classification and compensation plan is a first phase of a broader proposal for management and executive development. The second phase, which will commence development in the coming year, will include the introduction of performance evaluation, manpower planning, specialized executive development and training, and improved methods of executive search.

The overall objective is to strengthen management identity and to develop an integrated approach to those areas, which can contribute to upgrading the level of management skills in government.

It is interesting to note, Mr. Chairman, that since 1972 the Provincial Auditor has repeatedly commented on the lack of an organized and comprehensive program to identify, develop and upgrade manager or resources in government. He has stated that in his opinion such a system is required to provide for a continuous supply of qualified managers for the staffing of key positions in government. In his most recent annual report, the Provincial Auditor has commented, and I quote, "The overall proposal now recommended by the Commission and approved by government when fully

implemented should meet all the objectives expressed in my concerns. The continued development and implementation of the management classification and compensation plan will comprise an important ongoing activity of the Commission during the coming year."

The year 1980 was also a significant one for collective bargaining, with all the major Civil Service bargaining groups. Collective agreements were successfully negotiated with each of the major bargaining units for a two-year contract term, from March 22nd, 1980 to March 19th, 1982.

In addition to the largest bargaining unit represented by the Manitoba Government Employees' Association, collective agreements were also concluded with the Manitoba Association of Crown Attorneys, the organization of professional engineers, the Manitoba Medical Association and the Legal Aid Lawyers Association. Each of these latter agreements were also negotiated for a two-year term.

Other areas of activity of interest to this Committee, Mr. Chairman, include the continued development and refinement of the Equal Employment Opportunity Program, provided through the Civil Service Commission. Over the past year the office concentrated its efforts on the establishment of strong working relationships with various agencies within the community, the development of client referral system, and the provisions of career counselling and training services.

In addition, a major survey was undertaken covering approximately 7,000 civil servants to determine the existing distribution of members of the target populations and to identify the career needs of these and other employees within the Civil Service. The survey had a significant return rate of 53 percent and will form the basis of program planning over the next few years.

In the Budget Estimates that are before you, Mr. Chairman, I'll be requesting an increase for the Equal Employment Opportunity Program, both with regard to additional staff and funds, in order to expand and further develop such services as Outreach Recruitment, Career Counselling and Training.

In recognition of 1981 being declared the International Year of the Disabled, specific attention will be given to the handicapped over the coming year. To this end I have sent a communication to all Ministers of Government asking for the support and co-operation of their departments in this endeavour.

Staff of the Equal Employment Opportunity Office will be initiating followup contact with each department to determine areas where the handicapped might be effectively employed.

In order to further its objectives of encouraging sound personnel management practices throughout government, the Civil Service Commission has developed a Personnel Management Review Program designed to monitor, evaluate and promote the development of personnel management within the Commission and departments of government.

The program will provide for the monitoring and review of Personnel Management Programs on a joint consultative basis with the departments. It will encompass a review of all aspects of personnel management under the provisions of The Civil Service Act. Some objectives of the program

Monday, 9 March, 1981

are: (1) To evaluate the effectiveness of personnel managements within government and make recommendations for improvement; to motivate and assist departmental management toward developing and improving their personnel management programs, and to keep the Civil Service Commission and the Minister responsible advised of any problems concerning personnel administration, along with the appropriate recommendations for a corrective action.

Finally, Mr. Chairman, I can report that over the past year, the Staff Training and Development Branch of the Civil Service Commission has continued to offer a wide variety of courses and workshops designed to improve and develop the knowledge and performance of employees within the Civil Service. As indicated in the annual report, the branch attracted 2,899 participants during 1980 through courses and seminars designed to assist in developing technical, supervisory or management skills in order to improve performance in many areas, directly related to daily job requirements.

Within this year's Estimates, Mr. Chairman, funds are being specifically provided to expand the delivery of training programs to include rural and northern areas, where the delivery costs are extensive. Over the past year the Commission has been working with the Federal Government, Manitoba Hydro and the Manitoba Telephone System to establish joint training agreements, whereby employees of each organization will have access to training programs in areas such as Northern Manitoba.

This joint effort will not only increase the availability of training programs to employees in northern and rural areas, but it will greatly reduce the cost to any one of the employers.

The foregoing, Mr. Chairman, outlines some of the activities undertaken by the Civil Service Commission over the past fiscal year, along with an indication of proposals for the coming year, which will be reviewed in greater detail during discussion of this Department's Estimates.

In addition, Mr. Chairman, I would refer the honourable members to the 63rd Annual Report of the Civil Service Commission, which provides a comprehensive outline of activities of the Civil Service Commission during the 1980 calendar year.

MR. CHAIRMAN: The Member for Logan.

MR. WILLIAM JENKINS: Mr. Chairman, I thank the Minister for that opening statement and I want to say that we hope to examine the report of the Commission in some detail. I want to say to the Minister that I am glad to see that last year's Civil Service Commission is still in place. I think we had considerable discussion last year about the tenure of the members of the Commission, and I see that the Minister has in the main left people in place which I think is a good feature because there has to be some continuity as far as the Civil Service Commission board members are concerned. One of the concerns we had last year was the seemingly untenuous position that some of the members of the board did have because they were up and down and that was one of the problems, and I want to say to the Minister I appreciate the fact we are dealing with the members of the Commission that were in place last year.

There are other aspects of the department that the Minister spoke of and that was the recruitment and selection which now encompasses ten departments and the auditing of the recruitment and selection by the Civil Service Commission is a good feature. We will have to wait and see in a period of time just whether the program that has been embarked upon by the Minister bears fruit in the future. There are some aspects of the health program that I wish to raise with the Minister later on when we get to that part of the Civil Service Commission Report. There are some aspects of the employee health and counselling services that are a bit disturbing and I would just like to alert the Minister that I wish to discuss that with him at a later date when we deal with the report itself.

We welcome the opportunity that members of the Civil Service Commission get to employment, and also to educational programs that he has been discussing. We'll discuss those in greater detail when we get to them.

I would like to know at this time if the members of the Commission, and I believe I asked it last year, of the 19 Commission meetings if the Minister could give us the attendance of the present members of the Commission; how many meetings they attended. Also if he could give us the length of service of the various members of the Commission; I see there are a couple there that have been there quite some time, in particular Mr. John Pankiw, who I remember when I was on the Winnipeg School Board, he was a member of the Administration of the Winnipeg School Division and I imagine he still is. I just wonder how many years of service he has rendered to the Commission.

Other than that, Mr. Chairman, I am not going to make a long opening statement. I think we should get down to the business of examining the Civil Service Commission Report. There may be some other statements that other members of the Opposition which to make. At this time I would just ask the Minister if he could reply to those two questions and then we will allow other members to if they wish to make a statement.

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Mr. Chairman, the members of the Commission are Mr. Hunter; he's been there approximately two years. He attended 16 meetings last year. Mr. Allan has been on the Commission seven to eight years. He attended 19 meetings last year.

MR. JENKINS: Mrs. Allan.

MR. MacMASTER: Mrs. I'm sorry, Hazel Allan.

MR. JENKINS: Attended how many meetings?

MR. MacMASTER: Nineteen. Mr. Pankiw has been there approximately six years; attended 18 meetings last year. Shirley Bradshaw has been there approximately two years; attended 12 meetings last year. Mr. Hart has been there approximately two years; attended 17 meetings last year.

MR. CHAIRMAN: I think if the committee would allow us to go, we're breaking our law and just

Monday, 9 March, 1981

staying on 1.(a), we'll get down to 1.(b) and then we can go through the whole round. The chairman rules this . . .

MR. JENKINS: Mr. Chairman, there's no Minister's salary. If we go to (b) we're just talking about Other Expenditures.

MR. CHAIRMAN: All right, okay.

MR. JENKINS: Item (a) would be where, if we wish to speak about the Civil Service Commission as per se, that is where we are going to have to make the statements.

MR. CHAIRMAN: You are right, you are correct. 1.(a) — the Honourable Member for Transcona.

MR. PARASIUK: Mr. Chairman, I just trying to see whether there's an organizational chart. (Interjection)— Oh, right here at the beginning, okay.

Do you also have an indication of the number of people who are employed by the Civil Service Commission per se? Is that on any page, I haven't had a chance to really go through the report?

MR. MacMASTER: There were 63 last year, there's 65 this year. If the member would like, I can give him a broad breakdown, just to give him an idea; he can fit it in. Under the Civil Service Commissioner aspect there's four. Under Personnel Services Division there is 47, and under Staff Relations there is 12. Twelve and 47 is 59, and four is 63; I was right. And this year we are asking to increase it by two — one-and-a-half equal opportunities, and half for staff training; so that's the two we want this year. Is that broken down enough?

MR. PARASIUK: I thank the Minister for that information. I would like to ask the Minister about a phenomenon that I think exists amongst any bureaucracy where you set up a staff group like the Civil Service Commission with its staff to perform personnel functions, and departments then want to have that function perform within their department. We have it with respect to Information Services, in terms of the information function provided by government, where you have Information Services within one department, and yet over the last few years we've had a proliferation of Information Service's officers attached to departments. Is that phenomenon happening with respect to personnel and staff, and if so, how many departments have personnel sections that in a sense take on some of the functions of the Civil Service Commission?

MR. MacMASTER: The departments by and large on a good number have had personnel functions and personnel people sometimes titled, sometimes not titled for many many years. We have — I suppose it started with me, because I am such a great believer in a personnel function. I think it's so terribly terribly important to the wellbeing of a company or to an organization or to a government, and when the Civil Service Commission people first started to talk, and I was talking with them about the benefits of a department having their own personnel function and truly having it running credibly, with emphasis on ability and seniority and promotion and the whole

system as it relates to personnel, it was well received by the Civil Service people, the opportunity is there within the Act, there was no major changes made, it's already proven out in one of the very, very key areas where recruitment of personnel has reduced from 56-1/2 working days down to, I forget the figures, I think it's 40. That is so terribly important, as I hope the Member for Transcona can appreciate, if you're running with 30 people, 40 people, and during the course of a year you have a one or two or three person change, be they promoted, transferred, or go to another department, or go out to private enterprise, whatever. It's pretty important to get as much notice as possible that it's going to happen and that you get on with it and fill that position as quickly as possible.

I'm pretty pleased that it's reduced. I have to tell you that I'm not satisfied that 40 working days is good enough. The Civil Service people know that, we want that time cut, we think good managers are requiring 30 people, if that's what they require and they need them, generally speaking, full time. So we've already seen one very real good indication of it, that there are some advantages.

The question that the Opposition was onto last year and we have watched it very closely, was, well, it may work, and God bless you if it does, but we're damn sure there's going to be a lot of grievances and appeals and that. We have watched this very closely and there hasn't been any indication of increased appeals or grievances as it relates to the departments doing it.

We have monitored it, we have audited them, and we are really satisfied, Mr. Chairman, that it's working reasonably well.

MR. PARASIUK: Well, if the Minister is indicating that the recruitment days for staff has decreased from 64-1/2 days on an average to 40 days, I can appreciate that that is a good sign. I wonder if that takes into account senior people within the Civil Service as well as more junior people, in that we do have a situation where senior people have not been appointed for long, long periods of time, and I'm wondering whether in fact his figures take into account the senior people. We have had some Deputy Ministers, for example, who haven't been reappointed or haven't been appointed for seven, eight months, and I think one of them has been an Acting Deputy Minister for something in the order of two years.

MR. MacMASTER: Mr. Chairman, the delegation of authority and what we're talking about here does not apply to people above the Senior Officer I category. I thought, I guess it was my ignorance, but I thought the Member for Transcona would know that we're dealing with less than the particular type of position he's talking about; I know what it is, and we're not talking about the Civil Service Commission dealing with Deputy Ministers, we're talking about Senior Officer I, below that. That's where the dramatic decrease in the filling of the positions and the time period has taken place.

MR. PARASIUK: I know that they are excluded and that you deal with people below Senior Officer I, but when you throw out general statistics, I thought maybe that that was on the basis of the overall

number of civil servants, and that's the statistic that you were using. Perhaps it just applies to those people who are completely under the aegis of the Civil Service Commission. That's the clarification I wanted.

MR. MacMASTER: The average, I understand, includes everybody.

MR. PARASIUK: Because as I said from the point of view of Civil Service morale, that is the morale of civil servants generally, it breaks down if senior people are not appointed, and there are many departments where there are a number of open senior positions that have been open for some time. The Department of Health, the Department of Community Services, I'm not sure, the Information Services tells us that there are two departments there, but yet there are, in some respects, a close integration; there is a close integration between those two departments, and a number of Civil Service positions there of a senior nature have not been filled. They have been acting for a number of years, and the same thing holds true with the Department of Economic Development, where there seems to have been a fair amount of confusion and lack of control, and from the type of comments that I have been receiving from people, a decrease in morale at that level.

So I can appreciate the Minister's pride in seeing the recruitment days dropping for people, but at the same time there seems to be a couple of areas at the senior level, which although not under the direct control of the Civil Service Commission, certainly has repercussions on the morale of the Civil Service, which I think would be of concern to the Commission and the Minister responsible for the Commission.

MR. CHAIRMAN: 1.(a) — pass — the Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman, I want to deal with the Civil Service Commission as listed on Page 8, dealing with the appeals received and the appeals heard. There is one item here that I just don't quite get the category that is set out here. There's the types of appeals initiated, granted, denied, and then we come to one, not accepted. I wonder if the Minister could explain just what would be the criteria for the Civil Service Commission not accepting an appeal. Is there a certain mechanism whereby the Civil Service employee goes into this appeal mechanism and is it a wrong type of an application that they make? I wonder if the Minister could explain that.

MR. MacMASTER: Strictly time. It's like a grievance procedure where you have X amount of time to put in a first stage, second stage and third stage and then you wheel and deal with the company in an effort to set up an arbitration case, the same type of time factors apply here, and that one case that was not accepted was because of time limits.

MR. JENKINS: Mr. Chairman, there were two. There was one dealing with reclassification and another dealing with suspension that were not accepted. The initial appeal was made and then, from what I understand from what the Minister says, there is a

certain time schedule that they have to go through and the applicant for the appeal did not proceed with it? What is the difference between not accepted and withdrawn? I can understand if a person wants to withdraw, he may have got further information and decided that his appeal wasn't of such a nature that could be considered by the Commission, but I would respectfully suggest that a person facing suspension should be aware of the criteria and the schedule that he must follow, and if the Minister could just give us a brief outline of just what that schedule is.

MR. MacMASTER: I misled the Member for Logan when I was dealing with one I was correct and I was incorrect. I was dealing with one, as he pointed out there were two. One was a time limit, where the time limits were expired. On the suspension one, it was misdirected. It had been sent to the Civil Service Commission and it should have gone to arbitration. That's the two.

On the withdrawn, that happens in all segments of society and the member can just think for a minute and think of all kinds of things that were withdrawn for a whole host of reasons.

MR. JENKINS: I thank the Minister for that information. That now makes a bit more sense than what you said before. The Commission itself in the Departments that now have the function of recruitment and selection, do they do a complete audit on the recruitment and selection or do they just do samples of the recruitment and selection that had been made with the delegated authority to the department?

MR. MacMASTER: There's a complete audit done and I think last year we spelled this out, that there be a complete audit done and there is being done for the first full six months; from there on, it's at random.

MR. JENKINS: Of the ten departments now, how many are new ones from last year? I remember Labour and Manpower was one last year. I just wondered what new one that we have added since last year?

MR. MacMASTER: If the member would be kind enough to look at page 9, Delegation and Recruitment of Selection. April, March, April, March, April, March, March, March, April, May, May. It tells you.

MR. JENKINS: They're relatively then at the same time? Then they would have all passed their six months total analysis of the Recruitment and Selection.

Could the Minister give us a breakdown of how many since the six months period, probationary period, I guess that's what you would call it for the Recruitment and Selection in the department, how many were done on a random basis, department by department, in the following six months? Maybe in some cases that's not a fair question, because I see some of them are March. Well, the ones in March first, should now be in that first category because we're now into March the 9th today.

Perhaps, Mr. Chairman, while the Minister is getting that if he could get us the total that the

Monday, 9 March, 1981

department have looked at and then give us a breakout of what they have looked at after the six-months probationary period has come into effect department by department. If he can't get it right now, perhaps he could get it for a later date.

MR. MacMASTER: Mr. Chairman, we're trying to get a breakdown, but there was 215 audits took place in departments that had designation. We also did 61 audits on departments who do not have delegations, so it's a general policy to audit certainly at random all departments, so that the member knows that other departments are being looked at also. Now, we'll try and break that down. It's maybe a little difficult, but we'll see if we can get the breakdown, we just have the large numbers.

MR. JENKINS: Of the 215, that's the breakdown that if the Minister could get it, how many were the compulsory analysis and how many were of the random, and if I understand the Minister correctly then the 61 figure that he gave us was of departments that have not been delegated the authority of Recruitment and Selection and they, the Recruitment and Selection Committee, still function in that matter?

Dealing with the personnel policy administration, this again I guess is the function of the Commission, dealing with educational leave. I see that approval has been granted for nine. Is that an increase or a decrease from last year and how many of the people we had on educational leave have returned to the service?

MR. MacMASTER: There were three approved in 1979, and there were nine approved in 1980.

MR. JENKINS: Of the ones that we have had, of the three that were approved in 1979, have they completed their educational leave or are they still on educational leave, and of ones that we had prior to 1979, have any of those people who have been on educational leave returned to the service of the Province? If those figures are available, they would be appreciated.

MR. MacMASTER: I'll try and get those figures.

MR. JENKINS: In the special merit increment, we have six approved and three declined. What is meant by special merit increment? Are these heard on appeal or are they recommendations of department heads?

MR. MacMASTER: There are on occasions recommendations from your department head through to your department, the entire department, that special merit for outstanding work in a particular field be given consideration and there isn't that many of them, but there are regulations that apply; they are simply the Commission may on the recommendation of the Minister of the department concerned approve the granting of the special merit increment equivalent to one step in the applicable pay range to an employee on the employee's anniversary date or at any monthly anniversary date deemed appropriate. A special merit increment equivalent to one step and the applicable pay range may be granted only once to any employee in any

twelve-month period and may only be granted within the pay range for the class of the position to which the employee is assigned.

MR. JENKINS: Thank you, Mr. Chairman. Perhaps, I'm going to play the devil's advocate here now with the Minister, but we had quite a discussion on the previous department, where we were talking about none mandatory retirement at the age of 65, and I see that there are four cases where the Commission has granted employment over age 65. I wonder if the Minister could explain what those four positions are and what were the extenuating circumstances since The Civil Service Act states quite specifically that the age of retirement will be 65. Was it not possible for the government to be able to recruit people to take these places and for what length of time was the extension of employment granted for over the age of 65?

MR. MacMASTER: Again, there are regulations within the Civil Service Act that deal with that. (a) they must retire and then they're taken back on a term, normally for one year. We have to assure ourselves that the extension does not prevent the promotion of a member of the Civil Service who is qualified to fill the position, no qualified person can be found outside the Civil Service to fill the position held by the retiring member, the retiring employee is physically and mentally fit to continue the employment, and the extension is required for the purpose of completing a project or assignment. Those are the four categories which it can fall into.

MR. JENKINS: Then, in other words, the Minister is saying that these four people, the Commission was quite satisfied that it was not possible at that time to recruit someone and that they are there just for a one-year term period. Do these people, at age 65, if they continue in employment as a term employee, I'm not sure, I guess term employees are not eligible for pension or pension benefits, or even payment into pensions, am I correct in that assumption?

MR. MacMASTER: They cease contributing, yes.

MR. JENKINS: While they are employed over the age of 65, and I realize at that age they are entitled to their pension that is due to them, do they receive their pension as well as the employment at the same time, or is there a stipulation that they would not draw it until they had officially retired?

MR. MacMASTER: For less than six months they do, if it's over six months, it's deferred until their one year term is completed.

MR. JENKINS: Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for St. Johns.

MR. SAUL CHERNIACK: Thank you, Mr. Chairman. These four employees were kept on at the request of the employing agency. I assume that's correct, yes, the Minister nods his head. How many applications were made by employees who wished to stay on and were not accepted for a lengthier period?

MR. MacMASTER: The Civil Service Commission only deals with those that are brought forward by the

Monday, 9 March, 1981

employing authority. And it was four, and they dealt with it.

MR. CHERNIACK: If an employee wished to continue beyond 65, what procedure would he use?

MR. MacMASTER: He has access to his department head, he can speak of all the virtues of himself and the abilities he has and the way he feels about it, and see if he can convince the employing authority that they should give consideration to it.

MR. CHERNIACK: Well then it's clear, Mr. Chairman, that the employee has no right to go to the Civil Service Commission itself. That becomes clear from what the Minister said. If he cannot sell himself to his employer, employing agency, then he's finished, I gather. Does he have any rights for review?

MR. MacMASTER: No, I wouldn't believe so. If it's felt by the employing authority that for just reason that he should be let go, then he's let go.

MR. CHERNIACK: The Civil Service being responsible for recruitment, does it list the experience and the qualifications of a retired person for temporary hiring by the Manitoba Government?

MR. MacMASTER: Once a member retires, he ceases to be the responsibility of the jurisdiction, which is, of course, the Manitoba Government.

MR. CHERNIACK: Mr. Chairman, that doesn't quite answer my question. I assume that the Civil Service Commission keeps records of people who are available for employment by the province, and I'm now speaking of temporary employment, where it may be necessary for a department to have temporary personnel available to them, or for such period of time until they can fill a job with a permanent civil servant, does the Civil Service keep a record of people who are available to go to work?

MR. MacMASTER: Yes, we still keep the file, Mr. Chairman.

MR. CHERNIACK: And if an employing authority in the government is in need of temporary skills or temporary help and advises the Civil Service of that, does the Civil Service look through its list of personnel to see whether they could be used, regardless of age?

MR. MacMASTER: Yes, that could be done.

MR. CHERNIACK: There's a slight difference in wording. I said, does it, and the Minister said, that could be done. I'd rather get an answer to my direct question; is that the practice?

MR. MacMASTER: I think I answered the question. I'm not going to play games with words with the member, I answered the question, the files are kept, if you were the Deputy Minister of Highways and you wanted an experienced engineer and you thought there was one that had retired and wanted to know what his qualifications are, you could obtain them.

MR. CHERNIACK: Mr. Chairman, if the Minister thinks I have nothing else to do than come here and

play with words with him or anybody else, he's badly mistaken. I want to get it clear. He is saying, if a Deputy Minister, of let us say, Highways, wants an experienced person and asks for a file on a person, then he could ask for him. That's not my question. I want to know whether, if a Deputy Minister needs a person who's experienced in a certain line of work, and that person is not readily available for full-time employment or if he doesn't need him for full time employment, and he goes to the Civil Service and says, I need somebody with certain qualifications, does the Civil Service maintain a list which it can submit to the Deputy Minister saying, these are people available, and will that list include people who are over the age of 65?

MR. MacMASTER: That very scenario could take place if a person was retiring and said, I want my file kept active, I'd like you to make people aware of my talents if they so inquire, then certainly the Civil Service could do that for a particular department.

MR. CHERNIACK: Well, Mr. Chairman, now that we've established that the Civil Service could do it, my question originally was, does it do it? And that's not playing with words, there's a big difference between what it can do and what it does do. Does it do it?

MR. MacMASTER: Where information is sought from the Civil Service Commission, they will provide it. The information is available.

MR. CHERNIACK: Mr. Chairman, I'm trying to arrive at an understanding of the practise of the Civil Service Commission. I want to know whether they have lists available, as I believe they do, of prospective employees with varying qualifications. My impression is that they have a list of people who are available to do work, and that they maintain that list. And my question was, on that list do they include people who are over age 65, not whether they can or not. It's obvious that they can. My question is, do they?

MR. MacMASTER: Well, Mr. Chairman, I answered the question, and I answered it very precisely. If a person says that they want their name put on such a list, and they want themselves and they want their talents made available to others who choose to seek them for possible part-time, full-time employment, then that information is available.

MR. CHERNIACK: Mr. Chairman, it appears therefore, that any person who wishes to be listed, be that person age 17 or 70, can inform the Commission of the availability of these services and the Commission then maintains a list, which is available for review by any prospective employer within government. That's what I understood the Minister to say. If I'm wrong, I wish he would correct me, because it then appears to me that people who want employ some one with certain skills can go to the Civil Service Commission and find out who has informed them that he or she is available, which is fair enough. There's no other way you can get them on the list, except of course, that the Commission is aware of all the retired people; the Commission knows what their skills were when they retired. And

Monday, 9 March, 1981

I'm assuming from the way the Minister answered my question, that the Civil Service Commission doesn't keep a list, nor bother to suggest to the retired person that he or she list themselves with the Civil Service Commission, but will only do so when asked by the employee to do that. I assume that is the correct procedure.

Mr. Chairman, I assume that when a person retires from the Civil Service they get some kind of documentation informing them of their rights and where they stand in relation to pension and retirement. I want to suggest to the Minister that whatever information they are given in that routine way, should include an invitation to be listed as available, if they want to be listed as available, for any other jobs within the Civil Service, in the event that such jobs arrive. I wonder if the Minister would consider that as a positive way of dealing with people who have served the province and may wish to continue to offer their services.

MR. MacMASTER: Well we could consider making that precise offer to them, I suppose, but it doesn't happen like today and tomorrow you retire. We start working with people who are coming up to the retirement stage, approximately six months. Now it might be seven or it might be eight, but approximately six months we start working with them and talking to them about pre-retirement and talking to them about their pensions and whatever else is necessary.

MR. CHERNIACK: Mr. Chairman, I didn't know that. It sounds like it's a very good policy. I assume that there are certain pension options that take place, that are discussed before retirement. I would guess that would be something that's necessary and possibly some fringe benefits that may be continued on after retirement. I believe the term life insurance is one of the possibilities to be maintained, and I assume that's what is being discussed. I'm wondering if there's a brochure of some kind that is being offered, that could be made available to us so that we can see what is being given.

MR. MacMASTER: Yes, I can get the brochure that we do in fact deal with and in addition to that I could get a general rundown of the people within government who talk to these people, because you know, the member can appreciate there's a variety of people that talk to them.

MR. CHERNIACK: Mr. Chairman, I want to thank the Minister. I think that could be a really worthwhile thing to have and something that for good public relations, could be made better known to the public and also since I believe that government generally is a good employer, that it often is a good example to other employers as to how to deal with its servants, so I thank the Minister. I'm looking forward to seeing it. I would say that I'm disappointed that the government has not moved on the question of making a joint right to consider re-employment.

For example, Mr. Chairman, the Minister has made it clear that no employee is granted the right to ask for continued employment, unless he can persuade his immediate employer to do that. It occurs to me that a person coming off the payroll of some department at age 65, might well be able to fill a

similar job in another department, but that department might not know that he is available for that work. And that it would be commendable for any employer to recognize the skills and ability of a retiring employee and if that employee wishes to continue to work, to make it possible for him to do.

I acknowledge the fact that the Minister has indicated that he and his government refuse at this stage to grant the right of continued employment to employees, so I'm not discussing that now. But what I am saying is that it would be good employer-employee relations when you're dealing with the employer — I think Manitoba is the largest employer in this province — to ensure that people who want to continue work, have that opportunity available to them, if the employer wants to keep him on and the employer being the Province of Manitoba, that need not be limited only to the department which knew him, but that it could be circularized amongst other departments. I wonder if the Minister would consider that as a suggestion.

MR. MacMASTER: We can certainly consider that. The whole age 65 thing as I mentioned to the member before is being considered and where we're going with that, we're not certain now, but that's a valid point.

MR. CHERNIACK: Mr. Chairman, I appreciate the Minister's reaction. I know that he is not ready to move and I'm not telling him that he should move, nor do I have the answers which he is seeking. But since we are talking in the field now of co-operative decisions or two-way decisions, both the employer and the employee, and since it is clear and I know this from past experience, the employer has every opportunity to suggest an extended employment, that the employee should be given the same kind of opportunity to suggest we could discuss at a later date, whether he should have the right to demand or to grieve, but at this stage, all I was suggesting was a voluntary request to be considered seriously. I gather the Minister will consider that favourably and I appreciate that. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. I'd like to deal with the personnel policy and review program reviews that the Commission deals with and I see that there has been a determination of various policies, but I see that there is now a review directed towards educational leave policy. Who directs this review? Is this a Committee of Cabinet, or is it the Minister, or just where does the direction for the Civil Service Commission to review the educational leave policy, or was it on their own instigation, or just how did it come about?

MR. MacMASTER: The Civil Service Commission itself, the Board, wanted the review of the education leave procedures, methodology, the way in which it's dealt with, by departments. We may find there is some inconsistency. We may find that it's easier under some departments, we may find it's more difficult under others. I concurred in total; I think we should have a broad overall policy, a certain criteria established. It's generally been that way, but I'm not sure if it's as good as we'd like to see it.

Monday, 9 March, 1981

MR. JENKINS: I would have to agree with the Minister that if we are going to have policy it has to be a general policy. If I were a Civil Service employee and wishing to apply for application of an educational nature, what would be the procedure? Do I apply to my immediate — I mean as it is now — do I apply to immediate supervisor, or do I apply to the Civil Service Commission, or just how would I go about getting that before the Commission, because the Commission in the final analysis makes the decision? That is my understanding because they approved nine last year.

MR. MacMASTER: Mr. Chairman, basically the procedure is you apply within your department, hopefully you get endorsed by your department, and then it goes to the Civil Service Commission. If it does not get the endorsement of the department, you can still appeal to the Civil Service Commission.

MR. JENKINS: Then in other words, like the Minister said, if my immediate supervisor did not agree, then I could go over his head directly to the Civil Service Commission and make the application. In that respect then it makes a lot of sense what the Minister has been saying, and what the Commission itself is . . . because there must have been cases of people making direct applications over the heads of their immediate supervisors in order to get that.

The conflict of interest guidelines that are under review at the present time, was this a direction from the Department or was it again initiated by the Civil Service Commission?

MR. MacMASTER: Departments have requested the Commission to review and interpret the conflict of interest situation and the Commission is now looking at it and reviewing it. It's just for clarification. It's not for prospective changes in legislation in any way.

MR. JENKINS: The Minister says there is no anticipation that legislation will be introduced or changes will be made, it will be just for clarification of the Civil Service Commission themselves.

Dealing with the problem of over age employees, or employment over the age of 65, in order that the Minister is considering some of the suggestions made by the Member for St. Johns, would the Minister be prepared to suggest to the Civil Service Commission that they review the policies that we are operating under at the present time with some of the suggestions that have been put forth by the members of the Committee?

MR. MacMASTER: Mr. Chairman, that's the exercise that we're going through here, and I sort of respect the exercise. Members of the Opposition, members of the Government are always entitled to put forth suggestions, the ones put forward by the Member for St. Johns, I said to him, I say to the Member for Logan, they will be considered.

MR. JENKINS: The Minister says it will be considered. Will it be considered by the Minister or will it be considered by the Civil Service Commission, that is the gist of the question that I was putting to the Minister, because I think the Minister in this area needs to get as much information and expertise as is possible, and perhaps these people do have some

expertise in this field, I don't know. I'm not saying that this should be the final analysis, but I would suggest seriously to the Minister, that if the Commission is not overburdened then perhaps this is one area that they could come up with some ideas for the Minister and for perhaps future government policy, because eventually this question of mandatory retirement, whether we like it or not, is going to repeat itself; it's going to come back.

I would certainly say to the Minister, I don't have the answer to it, and I don't think anyone around this table has the answers to it. It's a question that I think requires as much study as is possible. I just throw out a suggestion to the Minister that if the Commission is not overburdened, perhaps we'd get one point of view for the Minister's consideration.

MR. MacMASTER: We are seeking points of view from an awful lot of people and the suggestion from the member is quite acceptable.

MR. JENKINS: I thank the Minister for that reply. I certainly hope that he will consider it seriously.

MR. CHAIRMAN: The Member for Kildonan.

MR. FOX: Mr. Chairman, I just wanted to ask one question in respect to the over 65, there were four recommendations approved. Can the Minister through his staff inform us of how many people are working at the present time who are over 65, besides those four that were approved?

MR. MacMASTER: I'll have to get that number for the Member for Kildonan, but there isn't a great number, but I will have that by this evening if that's . . .

MR. FOX: I didn't follow it all, and I was absent and I apologize for that, but I wasn't aware that of those that had received extensions, what length was the maximum. Was one year's length the maximum? There may be some just recently received their recommendation, or are these four a 12-month period?

MR. MacMASTER: During the 12 months.

MR. FOX: Thank you, Mr. Chairman. There would be no more than four, except those that were overlapping from last year.

The other question I had, and I know you won't have time to get the answer for it this afternoon, was the rate of turnover — if there was any kind of statistics on how many people we were losing regularly from the Civil Service and how many were being replaced, because the graph that we have in respect to the number of people employed has been altered because there have been transfers from one department to another. I would also like to get an idea of what kind of a turnover rate we have at the present time in the Civil Service, for which new competitions have to be created.

MR. MacMASTER: Eight to ten is considered a general figure for the last good number of years. Sometimes it's low eight, sometimes it's high eight, sometimes low nine, but generally speaking it's 8 to 9 percent, sometimes a little bit higher.

Monday, 9 March, 1981

MR. CHAIRMAN: The hour of 4:30 having arrived, Committee rise for Private Members' Hour.
Committee Rise.

SUPPLY - CONSUMER AND CORPORATE AFFAIRS AND ENVIRONMENT

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to Page 32 of the Main Estimates, Consumer and Corporate Affairs and Environment.

Resolution No. 38, Clause 3. Item (c) Securities Commission: (1) Salaries — pass; (2) — pass; (c) — pass.

(d) Public Utilities Board: (1) Salaries — pass — (2) — pass; (d) — pass. Clause 3. pass.

The Honourable Member for Burrows.

MR. BEN HANUSCHAK: Yes, Mr. Chairman, I wish to speak to (d)(2) Public Utilities. Could the Minister explain the increase under Other Expenditures, \$342,000 to \$427,000 which appears to be approximately a 25 percent increase? Could he indicate what it is that he anticipates occurring within the Public Utilities Board that will necessitate that \$80,000 increased expenditure?

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

MR. CHERNIACK: Yes, the Member for Burrows suggested that I make my comment now while the Minister is looking for the answer to the Member for Burrows' question. On that basis, I am prepared — unless the Minister is ready? He is ready.

MR. CHAIRMAN: The Honourable Minister.

MR. FILMON: Mr. Chairman, in response to the Member for Burrows, I can indicate that the increase of some \$80,000 is due to a variety of factors. Firstly, there is a 20 percent increase in the fees paid to professional advisers to the Board, that includes lawyers, accountants, engineering consultants and so on, who review the applications before the Board, and there has been general price increases of another — sorry, that amounts to some \$58,000 in total anticipated increase, there is a second increase in general price increases which is some \$9,300, and an anticipation of increased workload due to the passage of Bill 107 which now brings various items of communications under the purview of the Board which had not previously been under the Board's jurisdiction, and that will also be partially addressed by virtue of an intention on the part of the government to increase the size of the Public Utilities Board to add some expertise in the communications field to deal with the various applications that might come to it in terms of the telephone system and the cable network and so on, to expand the Board from four plus a Chairman to six plus a Vice-Chairman and a Chairman. So all of those various moves are included in the increase of \$85,400.00.

MR. HANUSCHAK: Yes, did the Minister say there is a 20 percent increase in the fees paid to outside professionals and consultants?

MR. FILMON: Yes, that is in part to reflect, Mr. Chairman, the fact that there had only been one increase in the period 1974 to the present, 1981, in the fees that were being paid to professionals and so this 20 percent still leaves them in the view of many who are acting as consultants to the Board, well behind the normal fees that they are being paid in their own professional work, but they have obviously been able to provide this service in the past, a service that we need in the Board, and we believe that this is only bringing them up closer to being in line with the normal fees that they would command in their practice.

MR. HANUSCHAK: Could the Minister provide us with some comparative figures that would indicate the rates at which the Public Utilities Board paid, I would presume, they would retain engineers, lawyers, and the like, how the Public Utilities Board's fee schedule would compare with that of other government departments hiring similar professional assistance?

MR. FILMON: Mr. Chairman, even with this increase it will be still less than the levels at which they would be paid when hired by other government departments to do work for the government.

MR. HANUSCHAK: That's something that I find rather difficult to understand, Mr. Chairman, why the discrepancy in the rates of pay from one department to another, from one Board to another department. It would seem to me that there would be some co-ordination interdepartmentally which would provide for a standard level of fees, you know, without any variation from one department to the next. I can't understand why the Public Utilities Board seems to have shut its eyes to what the going rate of pay is and pays at a different rate.

MR. FILMON: As a matter of fact, Mr. Chairman, it's reflective of the situation that I pointed out, that there had only been one increase in the previous seven years, and it is our intention, having regard to this situation, to bring them up in line, but it was felt in reviewing it, that to do it all in one jump would look very very unusual, and very large, and so in fact it is my intention to pursue this again and by next year to bring them up in line which will probably require another increase next year.

MR. HANUSCHAK: You said there was one increase — now I want to make sure that I understand the Minister correctly. He said there was one increase from 1974 to 1981. Is he saying that some time between the years 1974 and 1981 there was one increase in the fee schedule, and now this is another one. So when, between 1974 and 1981, was the last increase?

MR. FILMON: In 1979.

MR. HANUSCHAK: Could the Minister indicate whether that fee increase of 20 percent, 1979, now really we don't know, Mr. Chairman, whether it was in December of 1979 or in January of 1979, because if it were in the latter part of 1979 then it's only a little more than a year which has transpired since the last increase. Is that rate of increase comparable with the rates of increase paid to Civil Service?

Monday, 9 March, 1981

MR. FILMON: Mr. Chairman, the Order-in-Council that was passed, was passed on January 24th, 1979. I'm advised that the amount of increase that was put through at that time was less than the increases that have been put through for the previous five years for the Civil Service and that's the case.

MR. CHERNIACK: Thank you, Mr. Chairman, when I listen to the difficulties the Minister has in responding to questions that are related to a Board which is really beyond his purview except of course as it is assigned to him but which has a semi-judicial function, I sometimes wonder whether it wouldn't be better to have those Boards and Commissions appear before committee directly, so that they could be asked questions which are unrelated to government policies. However, this is the way it's been all along and I therefore have to ask the Minister a question relating to the practice of the Board which I think generally has the respect of the people of Manitoba which seems to function in a way which works in detail and works in the interests of the people.

I was caught somewhat unawares, Mr. Chairman, thinking that we were still on Item (c) Securities and I was on my way out to pick up my file when I heard your calling of this particular Item (d). So, without my file and speaking from memory, I want to deal with a complaint which I received some time ago from a very indignant user of Gas Services. Because of the change in the billing procedure whereby the meter is being read every two months instead of every month and as a result every second month there appears to be an estimate made by the Gas Company, and this estimate may or may not be close to it, may be higher than the actual consumption.

I had limited correspondence, but exchange of letters, with the Secretary of the Board and the explanation I received was that the company would be saving considerable moneys due to the fact that the meter reading process was cut in half and there would be savings and my question had been directed to asking about where the savings would be passed on to the consumer. And the answer I received, and unfortunately I'm speaking from memory of a letter I received some time ago was, that the next time the report of the company appears before the Utility Board, the Utility Board will then have an opportunity to examine whether indeed those savings can be, should be, or will be, passed on to the consumer as reflected in the rates. And, I felt, Mr. Chairman, that it's probably a small amount in the total cost of operation, but if there is going to be a significant change which might affect the consumer directly because of a change in the process of meter reading, that there should be an immediate savings passed on to the consumer visibly so even though it may not amount to much, so as to indicate that the company when making the savings is making it for the benefit of the consumer and not for its own dividend structure. And my own reaction was that by the time it rolls around again to the next time the statement is reviewed by the Board that for one thing the accumulated profits may have been redistributed amongst the owners of the company and secondly, the savings which may be substantial but would be negligible in terms of the total operations of the company might be lost in the general statement that is reviewed.

So I'd like the Minister to inform us as to the policy in the review nature and the practice that would be carried out to ensure that this particular item will be looked at separately and that we're guaranteed that it will be looked at and that a decision based on what they learn then will be reflected in the new rate structure.

MR. FILMON: Mr. Chairman, the Court Order of 195 of 1980, in which that particular change allowing for the estimating procedure and one that was referred to earlier that should be addressed for the Member for Inkster, regarding late payment penalties were both contained in that Court Order and they put on a definite requirement for monitoring for this year end reviewing at the end of the one year experience to ensure that any savings would in fact be reflected on behalf of the consumer. And they will be because the Board operates in projecting rates on a total revenue requirement and so if savings are accrued then obviously a lesser revenue requirement is projected for the next year in setting the rates for gas for the following year.

MR. CHERNIACK: Mr. Chairman, I would like to ask the Minister in what way the monitoring will take place?

MR. FILMON: Mr. Chairman, I'm advised that the Board's engineering consultants are working on an ongoing basis reviewing the monthly estimating and billing procedure with the company to ensure that it is being carried on as it was envisaged to be carried out, to ensure that the estimating procedure is as accurate as it can be and that overcharging and so on are not a factor. If there is a question of it and there has been some suggestions that I've heard on open-line talk shows and so on, advised that the company is immediately reviewing that matter and I also recall and I could be corrected on this, that they are sending out people to read the meters wherever it's required or demanded by the customer if there appears to be a dispute, to ensure that overcharging does not occur as a result of this estimating process.

MR. CHERNIACK: The answer is made easier, I assume, because of the fact that it is one order dealing only with that change in practice. I was not aware that it was that confined; I assumed that when the company made its application to the Board that it projected certain savings, and I would be interested in knowing what sort of savings they projected and why there was not an immediate recognition that projected saving in the rate structure.

MR. FILMON: The difficulty is that the Board does not work on projections, Mr. Chairman, they only work on experience, and so the Board makes a decision, based on what they believe to be in interests of the consumer, that savings will be reflected and therefore will require a lesser revenue requirement in future and lower rates. The company comes forward with the suggestion, the Board accepts it in the view that will ultimately show savings on behalf of the consumer, but they set rates based on experience, rather than projection, so that the company can't come to them and say, we're planning a big marketing expansion program, it's

Monday, 9 March, 1981

going to cost us this, this and this. Their revenues in the past, at least their cost experience and revenues in the past, result in their future allowances for rates as set by the PUB.

MR. CHERNIACK: Mr. Chairman, that means to me then that the consumer is now paying based on the profit and loss statement of the previous year or the previous year and one-half.

May I then ask the Minister what benchmark is being used by the Utility Board to determine what should be the profit and therefore the dividend for this coming year. I mean percentage of what? Of invested capital, or market value or what?

MR. FILMON: I'm advised, Mr. Chairman, by the Chairman of the Public Utilities Board that the allowed rate of return is based on the 1979 rate base, which was the last available financial statement for the company, and it was approximately 11 percent. It was the rate of return on that that becomes the rate for this year in operation, and under no circumstances, no matter what the changes would be to their expenditures or whatever are they allowed, to go beyond that.

MR. CHERNIACK: Eleven percent of what?

MR. FILMON: It's 11 percent of the rate base, which is in effect their total expenditures for 1979.

MR. CHERNIACK: Mr. Chairman, I have to confess to the Minister, I don't understand the answer and no doubt it's my inadequacy that does that, but he said 11 percent of the expenditures. Does that mean that the more they spend, the more they're allowed to accumulate by profits?

MR. FILMON: What they spent in 1979 is fixed. It's available to us in their annual financial statement and so they can only achieve 11 percent over what it was in 1979. What they spend in 1980 is up to them, and if they spend more, then it erodes whatever rate return they get on their income for 1980.

MR. CHERNIACK: Mr. Chairman, does that mean that if they would like to have a good experience, they can afford to take a loss and this year increase their expenditures 20 percent and then next year get 11 percent increase on this year's expenditures?

MR. FILMON: They would have to justify any expenditures that they undertook in the previous year and if they cannot justify them, then they're not allowed into the rate base, and so it would be out of their own pocket if they undertook expenditures that couldn't be justified in relation to their mandate to provide the gas service to the public.

MR. CHERNIACK: How does 11 percent of the expenditures compare to a percentage of the invested capital?

MR. FILMON: I'm advised, Mr. Chairman, that it's roughly 14 percent of the invested capital.

MR. CHERNIACK: Mr. Chairman, is that merely a coincidence for this year or is it a constant 14 percent of invested capital as a return? I might comment, Mr. Chairman, to me that's a rather high

amount, considering that this is a public utility with a monopoly operation, to be earning 14 percent of their investment, there must be something else that somehow reduces the return to the investor.

MR. FILMON: I am advised, Mr. Chairman, that 14 percent is a judgment of the Board that's based on the best information that they have available. As I say that isn't the initial thrust of what they're doing, they're attempting to give them a return on their rate base, which in addition to the capital investment includes embedded debt and so on. But the 14 percent ultimately becomes a judgment that the Board has made, based on the information available to it.

MR. CHERNIACK: Mr. Chairman, I'm getting the impression now that we're working in a different way. We are assuming that 14 percent return on the investment is a fair return and therefore the 11 percent is calculated in order to support the 14 percent, and that makes sense. My argument, Mr. Chairman, I want to suggest makes sense, because in the end the protection to the consumer has to be related to the profits that are given to this firm, which as I said earlier, has the monopoly of provision of a service, and therefore it seems to me that the first decision is, what is a fair return on the investment?

The next decision is how do we control that? I would think now that the 11 percent on expenditures is derived from the original decision of 14 percent on the investment.

MR. FILMON: Mr. Chairman, the honourable member is correct in saying that the 11 percent flows from the 14 percent, which is a judgment of the Board as to a reasonable rate of return on invested capital and they work it out based on a percentage over the previous rate base, which arrives at the figure of 11 percent, which is the operative figure that creates the rate.

MR. CHERNIACK: Mr. Chairman, I'd be very interested to know, what is the history? Is it readily available? Is it published somewhere as to what the 14 percent figure was in the last 20, 30 years? It would be most interesting to see that in relation to inflation, and I ask that question, because I believe that a person going to a bank and lending money to the bank, which is probably as secure as can be, will get I think somewhere around 14 percent on a term deposit these years, which is a much easier return. Therefore, I'm wondering about how the 14 percent was arrived at. But mostly, I would like to know what is the history of that 14 percent? What were the variations in the preceding number of years?

MR. FILMON: Mr. Chairman, I'm informed that it's a judgment that varies according to the variation of the cost of capital, and obviously it has varied over the years.

A company regularly applies for greater return saying that the market cost of embedded capital is greater than the amount that ultimately they are allowed, but the Board obviously reduces that somewhat, based on the fact that, as the member indicated, they are in a captive market situation and should be regulated as a public utility to provide for

a return that's somewhat less than what they can prove is the market cost of capital to them, and that's the way in which the 14 percent has been arrived at.

MR. CHERNIACK: Well, Mr. Chairman, I'm just wondering to the extent to which this company has gone out for additional capital in the past, I mean invested capital, dividend, say common shares, rather than borrowed capital, because borrowed capital, the cost of that is of course reflected in the expenditures of the company. But the invested — for example, Mr. Chairman, if the Board decided that 12 percent was an adequate return, with which I wouldn't quarrel, because I think 12 percent is a pretty good return, what would happen? I visualize what would happen is that the value of the shares would drop; people would sell those shares because the dividends would not be as much as they wanted; somebody would buy the shares for something less because they might be satisfied with 12 percent, but that's just the people who deal in shares; what would happen to the company if the Board decided to go from 14 down to 12 percent?

We can recognize readily what would happen to the consumer, but what would be the impact on the company? Would it stop producing and distributing gas for consumption, for energy consumption in the province?

MR. FILMON: Mr. Chairman, the Greater Winnipeg Gas Company is a wholly-owned subsidiary of the Northern and Central Gas Company, and I'm advised that they haven't endeavoured to sell shares in quite some time on the market. Therefore, the cost of capital is generally accepted to be borrowed capital because that's what they would be dealing with as an alternative. If there was any serious aggrievement, in other words, if the rate of return that was allowed by the PUB was such that the company could not accept it and was seriously aggrieved by it, I guess the assumption would be that they would endeavour to divest themselves of this particular utility in Manitoba. It could be argued as to whether or not there was an alternative market for it, whether somebody else could pick it up and provide an adequate service.

The Board's objective is always to provide just treatment for the consumer and in so doing, if there is any capital at risk in any judgment because of the rate of return that they allow, it presumably might threaten the consumer's ability to receive the service that he requires, and so all of those factors are taken into consideration when the Board makes that decision on a rate.

MR. CHERNIACK: Well, Mr. Chairman, I have to say that I'm disappointed with this approach in that I don't mean that I disagree with the approach, I'm concerned about the fact that all we are doing now, apparently, is deciding a rate of return, and everything else flows from that. Because all the monitoring and all the consideration of rate changes and all the final decision as to a percentage increase on the basis, or percentage return based on expenditure, is all related to the assumption that 14 percent is a good return.

Now, I don't think Manitoba Hydro looks at its returns on that basis. I don't think that other utilities

that supply energy would be doing that. I shouldn't say that, Mr. Chairman, I'm not sure just what other utilities come under this Board's purview. It may well be that the oil industry is producing much greater returns than 14 percent, but the thought that we have to keep the gas company in business in order to keep supplying to consumers is one I can't buy. If they don't do it, somebody else will.

If their owners decide to dispose of their shares because they don't like a return, the return of 14 percent is not enough, then surely the best way is to find out in the marketplace whether somebody else would buy it or not. It seems to me that since their shares no doubt are on the market, then it would be visible fairly quickly as to what the market value of the shares is, and I have to say that I doubt very much if 14 percent, which is a guaranteed return, because it's a guaranteed operation, whether 14 percent is valid. I doubt it. I think it's high. And that needs more investigation.

Mr. Chairman, I don't want to prolong my portion of this discussion. I have two specific questions, not quite related. One is a specific answer to my specific question asked earlier as to whether we can be supplied with the history of the, say in the last 20, 30 years, of variations that have taken place in recognized return on investment, that is comparable to the 14 percent currently being used. I'd like to get that, and I'd also like to get information as to the nature of the monitoring that's being conducted. Is it an ongoing process by a firm which is hired by the Utility Board accountable to the Utility Board where they have one to ten people who are in the offices of the company constantly reviewing, monitoring, this process, or is it an occasional review, reflective review after information has been made available?

I want to confirm that the costs of that firm, the hiring of the firm is within the Utility Board and the costs of the firm are being borne by the taxpayer, and I'd also like to know how that firm was selected — I don't care who it is — how was it selected, when was it changed, and who makes the decision on which firm will do the work.

MR. FILMON: Mr. Chairman, I am advised, and the information that the member has asked for is a matter of public record in the annual reports of the Public Utilities Board as to the actual rate of return. But just to put on the record, so that the 14 percent figure is not misconstrued or bandied about, the actual rate of return has never been any greater than eight to nine percent, in fact it's been as low as six percent in recent years. And that's merely because the cost of doing business a year after the test year has to go up by inflation, yet bear their rate as set, based on the test year a year previous. Consequently that 14 percent is based on a previous set of costs that obviously have gone up substantially due to inflation the following year.

So the actual rate of return has never been any greater than the 8 to 9 percent range, despite this method of setting the return by the PUB. I'm also advised that our Public Utilities Board is regarded as the toughest Board in the country for setting these rates and the monitoring process is an ongoing thing, the firm is hired and accountable to the Public Utilities Board, it has been the same firm for more than ten years, it continues to be the same firm that did the job during the period in which my honourable

Monday, 9 March, 1981

colleague was in government; it's I.D. Engineering Company, who were formerly Templeton Engineering Company. It's the same firm under a new name, and they are paid for by the gas company. Their fees are paid for by the gas company as part of the process, but they are definitely hired by the PUB and responsible to the PUB solely, but it's a charge back to the gas company.

MR. CHERNIACK: Well, Mr. Chairman, it's obvious to me that this firm is paid for by the consumer because there's a percentage built in, it's not paid for by the gas company which is only the means whereby the consumer pays for them, which is all right. I personally favour the proposition that there is validity in changing auditors every so often, that they shouldn't become too much in a pattern, and the fact that they've been around for ten years is not necessarily a valid indication unless there is some occasional injection of new blood or new spirit. I have to react to the statement that the 14 percent should not be banded about, and that indeed it could be 6 to 8 percent. What the Minister is saying is that by fixing 14 percent and on that getting to the 11 percent of the expenditure, the Minister said it's not based on projections, it's based on past experience. But it also apparently takes into account the expectation of an increased revenue which is required to meet some projection of inflation, because if you know that 14 percent, and therefore 11 percent will produce 6 or 8 percent, then you're already saying that because of inflation, we are going to find a revenue of 6 to 8 percent on the investment, so we're calling it 14 percent and therefore charging 11, and if you've been following what I've been saying, these figures I've been using, I'm quite sure are being used in their correct relationship.

So it does mean that the Board is projecting an increased revenue for the company based on its expectation that its costs will rise and therefore its rates are permitted to rise.

I don't know if the Minister wants to comment, I don't have anything further to say on that point. I would like to know if the Minister is prepared to let us have the breakdown rather than force me to go to the last 20 reports of the Utilities Board to find out what that 14 percent figure was. I realize he doesn't have it here. Would he undertake to supply it to us fairly soon so we'll have it?

Thank you.

MR. FILMON: Mr. Chairman, I will definitely undertake to provide the member with that information. I'm advised that the reason that the particular engineering firm is used, and I should have been aware of this from my experience on city council, they are the only firm that is not in any way employed by private industry in any of their activities.

MR. CHERNIACK: They have a monopoly, too.

MR. FILMON: They have no work with private industry, because I recall the City of Winnipeg employed them to a great extent because they never worked for developers or private companies, similarly they do no work for anybody involved with the oil and gas industry. So that's the reason — and they are the only one who can say that and therefore they

have been used by the PUB for that particular purpose for over 20 years.

On the other hand, I repeat that the rate of return, the 14 percent, is not projecting into the future, but is giving a rate of return based on previous costs, knowing that those previous costs have to increase for the incoming year and knowing that will leave a rate of return somewhat less than that which becomes the figure that's used in the calculation by the PUB.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I thank the Honourable Member for St. Johns for considering that he was indulging on us. I think that I found his questions and answers all very interesting and informative and of great value, so there was no necessity for him to thank us because we certainly achieved something by his intervention.

May I say, Mr. Chairman, that I am concerned in this area of the Public Utility Board with the Minister's attitude with regard to one specific issue, and also the Board's attitude with regard to one specific issue, which, if the Board is correct, requires a considerable change, either in their thinking or in the legislation which governs the activities of the Greater Winnipeg Gas Company. May I say, Mr. Chairman, that I find it incredible, and the Minister is going to have to do some great convincing, and the gas company is going to have to do some great convincing, for me to believe that they are operating all of these years on a return on investment of 6 percent. I think that there would be a problem, Mr. Chairman, with regard to the shareholders of the gas company. I'm now wondering whether there is a Consumer Protection Act to protect these shareholders or whether they really need one, because to suggest that all they are making on the investment which they have in the Greater Winnipeg Gas Company shares is 6 percent, leaves me to believe that all of them would sell their shares and buy something that produces more than 6 percent.

The Member for St. Johns says that you can go to the bank and get 12 or 13 percent on a term deposit. Can you tell me why these foolish shareholders of the Greater Winnipeg Gas Company are permitting their money to stay at 6 percent when they can take it across the road to the bank and get 13 or 14?

Now, Mr. Chairman, I'm not that naive. I believe that they are making a more acceptable return on their investment and that somewhere in my friend's figures, the Minister's figures, he is missing something. Now, I don't know what's missing, but I know something is missing. I don't know what they are valuing their capital assets at, I don't know whether their return is based on heavy depreciation allowances which are going to accrue to them but don't represent actual depreciation. There is money there, available to the shareholders, and I think that the Minister stretches his credulity when he comes in and asks us to feel sorry for these people who are giving up 6 percent return on investment on the basis of earning 6 percent. The Minister will have to now explain to me, how the Gas Company makes money, because I believe that they do make money, Mr. Chairman. Maybe their source of income is what

Monday, 9 March, 1981

they are earning by not paying the maintenance charges that they used to pay before their employees went on strike. Now that is a very very small figure, Mr. Chairman, but an important figure, because under The Public Utilities Act, the Gas Company is not permitted to discontinue service to the public without authorization of the Board. Now that's clear, and I don't want lawyers the Boards have got advising them, to tell the Board that when it says that you cannot discontinue service to the public, that it means you can discontinue service to the public, but whoever says that in my view is wrong.

The Minister has come into this House and he has told us two things: one, that the Gas Company can discontinue a normal service to the public which it has been providing; and secondly, Mr. Chairman, and more importantly, he has indicated that he was going to use whatever persuasive power that he had to deal with the company so that the company would not discontinue these services. Mr. Chairman, those words are on Hansard. Those words are there.

The Minister last week said at an appropriate time, he will do it. Mr. Chairman, the appropriate time is when the customers of Greater Winnipeg Gas Company are being asked to pay bills for service which normally they had given to them by the Company on a service basis. I am advised, Mr. Chairman, and I believe it, that when there was a competition for the Gas Company, as to who was going to get this monopoly, as to who was going to get this lemon that will only pay 6 percent when money is earning 14, that there were considerable attempts to obtain this lemon, and that one of the inducements that was used to obtain this lemon was that there would be service provided to the customers of the Greater Winnipeg Gas Company.

Mr. Chairman, the employees of that Company are now on strike; the service employees. The Company is not paying those employees, so that particular payment is saved by them. On the other hand the customers still require some of the service that was formerly obtained from the Gas Company by those employees; through those employees. The company is not paying those services, so the company saves both ways, and we have the employees of the Gas Company, in fact, kept out on strike by the Gas Company who is saving money by virtue of not fulfilling its obligations to the public.

Now the Minister, when these questions were asked, said that he was going to go to the Gas Company and try to persuade them to deal otherwise than the way in which they were dealing. I wonder what the Minister has to say about dealing otherwise, because the employees are still on strike, and consumers of the Gas Company are still requiring service, and they are still be required to hire private contractors and to pay them for service which the Gas Company normally provided. Now what's to be done about that?

MR. FLMON: Firstly, Mr. Chairman, I would like to assure the Member for Inkster that there isn't any need to feel sorry for the investors in the Gas Company, because unlike many other business risks or business investments, they don't have a risk involved in theirs. They have no competition. They are insured that they will receive all of their expenses at least, and they have a captive market, so the rate of return might very well be accepted as much less

when there's no risk, and we spoke about the relationship between risk and rate of return on Friday with respect to the Securities Commission.

The member refers to the fact that a service has been cut off in the midst of this industrial relations dispute, and I responded to that question in the House earlier when I said that the service that was referred to in the Act ends at the meter, the responsibility for service; that anything that has happened beyond that point has occurred as a result of customer relations policy, public relations policy, or whatever you want to term it, on behalf of the Greater Winnipeg Gas Company. When I referred to the fact that on behalf of the consumers that I would attempt to intervene with the Gas Company to see if this whole situation could be perhaps rectified — obviously the member doesn't expect me, or perhaps he does, to go to them and suggest to them that they hire people to now perform the service. That would be interfering in an industrial relations dispute to hire people in the midst of a strike. That's not something I'm sure the member is advocating. At the same time if I were to go in and advocate that they pick up the bills, again I'd be intervening in an industrial relations viewpoint.

When I said that I will do it due course, I mean at the end of the industrial relations viewpoint, when the settlement is known, and when its known what costs were not picked up as a result of this service not being provided, and that can be assessed and I am willing to discuss that with the Gas Company. That's the extent to which I intend to intervene.

MR. GREEN: Mr. Chairman, I am astonished at the Minister's lack of imagination. I was going to say obtuseness, but I want to be more kind and say his lack of imagination. I am not suggesting that the Gas Company hire employees to take the place of the striking employees. Mr. Chairman, because I say that it should be legal for them to do so, does not mean, as the Member for Elmwood would have it, that I would make it a law that they be required to do so. As a matter of fact, I would frown on them doing so.

What I am saying is that they should pay for those services which they are now telling their customers to order which they have to order; that the customer now has to order the service, and that instead of the customer paying for it, the Minister should use his — and I say, I go further than good offices — the Minister should require the Gas Company to pay for those things that they were previously paying for. He says the service that they are required to provide ends at the meter, that's not what the Act says. The Act says they shall not discontinue service to the public without authorization of the Board, and I say that the public is entitled to that service which they normally received from the Gas Company, and which were included in the Gas Company's estimates when they went to the Board and asked for money. The Gas Company includes in all of those estimates the cost that they are paying their service department, and therefore the Minister is intervening in the strike. The Minister is intervening in the strike on the side of the Gas Company. The Minister is permitting the Gas Company to discontinue a service; to charge the customers for it, so that they don't suffer by the strike, and only the employees suffer by the strike. That's industrial dispute intervention.

Mr. Chairman, the Minister is shaking his head. I tell him that is intervention of the worst type. The

status quo of the parties are that the employees are on strike and that the customer — and that the service, the Gas Company, fulfills its obligations to its customers, and I am not saying that they should hire other employees. I am saying that the customer phones the Gas Company; they say hire a private contractor; the Gas Company should say hire a private contractor and send us the bill, and you will see how fast that strike will end, because the employer will then be under the same disability, or the Gas Company will then be under the same disability as the employees. They will be losing money by virtue of not having their employees at work and the employees will be losing money by virtue of not being at work, which is an ordinary industrial dispute; that both sides have a handicap by virtue of the dispute. The Minister is intervening in the dispute by not going to the Gas Company.

How is the Minister keeping a hands-off position, and saying that he will deal with it after the strike, when he knows that the Gas Company earns money every day that the strike is in progress? He's giving the Gas Company incentive to do nothing about the strike. As far as the Gas Company is concerned, according to the Minister's philosophy of non-intervention, as far as they're concerned the strike can go on for ever, and they will tell their customers, we are no longer providing you this service because our employees are on strike, and therefore what really has happened is that our employees have relieved us of the responsibility of having a service department and we like it, and we will spend less money, and instead of earning 6 percent, which I don't believe for one second, we will earn 6.5 percent because one of our expenses has been removed. And next year you may catch up on it, and next year when we come to the Board, we will say, oh yes, it's true we don't have a service department, but their employees are on strike, and we're probably going to settle with them; put the money in anyway, base our rates on the money that it's going to cost us to hire these people back, because surely they're not going to predict that they are going to be out forever, and after you do that then they will continue to not hire their employees. You say that that's not intervention?

The Minister is intervening in the strike on the part of the Gas Company, and he suggests that it is not intervention. Has the Gas Company been approached and asked whether in fact they are saving money on their service department by virtue of this strike, and if so, what is the Public Utility Board doing about it?

MR. FLMON: Mr. Chairman, firstly I want to clarify that the Greater Winnipeg Gas Company is not responsible to me. They are responsible to the Public Utilities Board, which reports to me.

The amount involved in the whole dispute of provision of service is an infinitesimal amount, and we aren't in a position to judge what the balance will be because it may well be that as a result of the overtime that's being paid to supervisors to do work that was done by these people and other over expenditures that they are going to incur because of special costs due to the strike, that the balance point may be either way in the whole dispute. We are not in a position to know that. As I pointed out previously that will all be evaluated the next time

they come for a rate increase, that will all be factored into whatever their cost base will be for this operating year, which will result in the rates that are set for next year and presumably, if they are any lower, however infinitesimal, they will result in a lesser return being allowed the next year because of a lower cost base for this year.

As I said before, from a position, I'm advised in terms of their legal requirements, they are conducting them in accordance with what is required of them. If they were providing additional services under a customer relations policy, that's over and above what they're providing now, we are not in a legal position to require them to provide more than that or to institute that as part of our requirements of the PUB, and that is the case. If it were otherwise, then perhaps I could take action. But I agree with the member, that it seems as though if something was being provided it should continue to be provided or some alternative should be made for it, if they were legally required to provide that service, but in this case, I'm advised through the Public Utilities Board that there is no legal obligation on behalf of the Gas Company, and that's what I'm dealing with.

MR. GREEN: Mr. Chairman, it's interesting when a Minister gets up and tries to avoid responsibility. He says that this gas company is not responsible to me, it's responsible to the Public Utility Board; that the Public Utility Board is not responsible to me, the Public Utility Board reports to me. That's the start, that's the start, Mr. Chairman, of an attempt to absolve oneself from responsibility of what is going on and that, Mr. Chairman, is the last vestige of a drowning Minister. If nationalism is the last vestige of a scoundrel, the attempt to avoid responsibility is the last vestige of a drowning Minister.

The Minister hasn't made one answer that he has not got the power to correct, not a single one. When he says that the amount involved is infinitesimal, Mr. Chairman, that shows his bias. The amount involved is enormous.

Each one of those employees is losing virtually 100 percent, less strike pay, and nobody wants to live on strike pay. And that is the amount that we are talking about, and if the member knows that each one of those employees is losing his pay cheque every week now, every month. They've been on strike now, for I gather February, middle of January to the middle of March, during the winter months, and walking the picket line, many of them, and certainly walking the picket line during the coldest periods. And, Mr. Chairman, I am saying that the worker who does that knows what he's doing, and generally, and I am proud of them, does not cry about it, because he knows what he's at when he decides to say that I'm withdrawing my services. But not one of them would have dreamed that the Minister would take the attitude that he's taking, that he's not intervening in the strike, by using his ministerial authority to require the gas company to do what the Act requires them to do.

Now, Mr. Chairman, the Minister says that the Act does not require it, that he is stuck by the law. Mr. Chairman, he's the Minister. He is not stuck by the law. The Public Utility Board is not stuck by the law.

When the Minister wanted to undo a sitting member and take away his salary, he did not say, I am stuck by the law. He said I will change the law, I

will take this man's salary, I will make it retroactive, because I do not think that what is going on is right. And the Minister had a right to do that. And I happen to disagree with it, but he did it, he did it, Mr. Chairman.

I am suggesting to you that you tell the gas company that whatever the law is and there are disagreements as to what it is, we are going to tell you that as long as you are the monopoly provider of services, of a gas distribution system, you are going to treat your customers honourably and just as we have put into collective agreements, and they've been there for time immemorial, that no employer shall remove benefits that are presently available to his employees, because when you sign a collective agreement, you have the wages, the hours, the grievance procedure. But you never knew that the employer, once you got these wages, or you would never think that the employer, once you got these wages, would say, you're no longer entitled to park on the ground here. And it's true, it's not in the collective agreement — parking. But the employees have come there for years and have parked and therefore every or most collective agreements contain that type of provision.

I suggest to the Minister that you tell the gas company, that if it's not there now, and I disagree with them, that we are going to write a provision into your Act and make it retroactive, that you are required to pay for those services, that your customers have had the right to expect by virtue of a past practise, which has become in effect, a part of the service. And don't tell me that is not the law. You're the Minister. Don't tell me that you are not responsible; it's the Public Utility Board that's responsible. You are the Minister, and there isn't a single thing that you have mentioned, that you have not got the power to correct and indeed, Mr. Chairman, which you should correct.

MR. FILMON: Mr. Chairman, the member is, I believe, incorrect. The PUB is responsible to the Legislature under this Act; it is not responsible to me. It only reports to the Legislature through me. It's a totally arm's length situation. It doesn't meet with me, consult with me or any of those things. It only reports to the Legislature through me and it's responsible only to the courts for any orders that it issues; not to me. Consequently I do not have the ministerial authority or the legislative authority to do what he says has to be done.

MR. GREEN: That is patent, pat, and nonsense. What I said to the Minister is that he could tell the gas company that he's going to bring in legislation, that legislation is going to say that this was part of the service and that legislation is going to be retroactive, unless they start dealing with their customers on an honourable basis. And if he says that he hasn't got the power to do that, Mr. Chairman, if he says he doesn't have the power to do that, then he has no business being a Minister, because he surely has the power to do that. He surely has the power to change the Act. (Interjection)— Mr. Chairman, the Minister is now saying that I have the power. Well, Mr. Chairman, I would like the Minister to get out of his seat and invite me to take it over and you will see how fast it is done, you will see how fast it is done, because that

has happened before in the Legislature when I was involved. And when a judge made a decision respecting the Environmental Commission or whatever it was, and the moment that we had the opportunity to do so, we will do so.

Now I see that the Minister wants me to assume the reins of government. That suits me fine, suits me fine. I want to know, when I put in a private bill, which now I surely will, and I ask our group now to prepare such a bill, whether the Minister will get up and support that bill and ask a majority of the members, whom he happens to command at this time, to support that bill, that this service will be teamed to have been a service which comes within the provisions of Section 82(1)(j) and that it will be retroactive and that the company will assume the responsibility of paying for that which they have paid for traditionally, in terms of service to their customers.

The Minister now says I have the same power as he does? That's how I interpret his power, Mr. Chairman, if he thinks that this Legislature governs with every member in the same position, he's got some learning to do, Mr. Chairman. He has got some learning to do, because the first thing that he should learn, is that only a member of the Treasury Branch can bring in certain legislation, only a member of the Treasury Branch.

Secondly, only a member of the government can bring in legislation which he has reason to believe, not which he can be assured of, will receive a majority of the votes of the members in this House, and therefore he has the power. He doesn't want it. That suits me fine, Mr. Chairman. He should immediately announce that he doesn't want this power. He should let it go to the public to choose the people who will have that power and then, if I happen to be where he is sitting, then he will see how fast that kind of legislation is passed and, Mr. Chairman, you wouldn't need the legislation.

The Greater Winnipeg Gas Company is making a patsy out of this Minister. You wouldn't need the legislation. All you have to do is go to them and say, look, this is something that we didn't dream would happen. It may not be provided for in the Act, although some people say that it is, we want you to be fair. There is an industrial dispute. We don't want you to make money out of an industrial dispute, nor should your consumers be the ones who have to bear the brunt of this. The employees are suffering and you will have to provide what you have been providing in the past.

I want to know whether the Minister will bring in such legislation or will support such legislation, if as he says, I have the power to bring it in and, Mr. Chairman, I happen to know something about power, and I happen to know that he's got it and I don't got it. And I want to know whether the Minister is going to help me with the power that he's got.

Mr. Chairman, I would like an answer to the question, because there's one more point I want to deal with. If the Minister doesn't answer, I'd still like to proceed.

MR. CHAIRMAN: Order please. I'm just ready to acknowledge speakers as they rise in their place to the honourable members. If the honourable members are not going to rise, I can't acknowledge them.

MR. GREEN: Mr. Chairman, I'm not finished with the subject.

Monday, 9 March, 1981

MR. CHAIRMAN: Except that you had conceded the floor to . . .

MR. GREEN: I had thought that the Minister would answer my question.

MR. CHAIRMAN: It's not really my choice and with the permission of the Honourable Member for Rossmere, I will, or do I?

The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I can indicate to you that I kept my seat when I saw that the Member for St. Johns was continuing to rise, even though he wasn't answered in each case by the Honourable Minister.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, the Honourable Minister has indicated without any problem at all, from his point of view, that he is not going to deal with the subject, that he considers it perfectly reasonable, rational, a matter which does not require public intervention for a utility, a public utility granted a franchise by the people of the Province of Manitoba, to behave in this perfectly scandalous way. And I expect that the public of Manitoba will have a right to judge very soon, as to whether they want their public representatives to behave in this way. But the Minister has also indicated something else which says a lot about what the Conservative Government is doing with respect to the gas company.

Now I indicated, Mr. Chairman, and I indicated it very seriously, that one of the things that the Minister could do is to bring to the attention of the gas company, that the Greater Winnipeg gas distribution . . . now says that the franchise which was given, and I believe it was 1958, terminates on December 31st, 1983, and the Minister said that he would not threaten the gas company in that way.

Now, Mr. Chairman, for the Minister to have suggested that is a threat, indicates that the Government of Manitoba at the present time is in no way considering how they will behave when the gas distribution system terminates in the City of Winnipeg. Because the people who enacted this legislation, Mr. Chairman, indicated quite clearly that there would have to be negotiations between the gas company and a committee, which by the way, is composed in such a way now that it doesn't make sense, because it talks about the municipalities in greater Winnipeg, and that committee and the representatives of the gas company would negotiate for a specified period of time, and I'm not going to go clause by clause into the legislation, that after the specified period time or during the specified period of time, that one of the things that the government would have the right to do would be to say, that you've had your guaranteed monopoly franchise for 25 years, which is all that you can count on, we will now say that is going to be operated by a public body, and I think that the Act deals with the City of Winnipeg, or excuse me, the city and the municipalities setting up this body. But, Mr. Chairman, seeing that that is not the appropriate authority any longer, what does the Minister consider

threatening about telling an exclusive franchise gas distribution system that their franchise is going to terminate and that the government may decide to use its power to say that the price that the Gas Company will get for its existing installation — and I assume they would be depreciated considerably — is going to be arbitrated and thenceforth the Gas Company will be run by a public utility responsible to the public and owned by the public. In what way is that a threat, Mr. Chairman? That's not a threat, that's what the Act says and even if this strike had never occurred, and even if this problem had never occurred, what is possibly wrong with saying to an exclusive franchise holder of a distribution system, a gas system, that we are considering operating as publicly.

Mr. Chairman, even Adam Smith would say that that's what the Minister should do. There is no economy who says that a franchise utility, or none of the classical economist in any event, I suppose you can drag out Milton Freedman or somebody now — Who is the one that he used on the housing, Block? Walter Block may say anything. But, certainly the classical economist, and Adam Smith being the chief of them, said that this type of facility should be operated by the public; and the Act says it. This Act wasn't enacted by the Labour Progressive Party of the Province of Manitoba. —(Interjection)— That's right, it wasn't inacted by the Progressive Party, I would hope that we have the opportunity of dealing with this section because I can assure you that we would deal with it in a much more intelligent manner than what the Minister is seeking to do, because the Minister considers it a threat to say that a public franchise terminates and that at that point the public is entitled to operate its own franchise.

The Minister says that that's a threat. It is not a threat, Mr. Chairman, and especially in view, Mr. Chairman, of the news that we got last week, and I hold in my hand, Mr. Chairman, three of the volumes of a document which relates to a related industry; the state of competition in the Canadian Petroleum Industry and in this industry there is no competition, there's only regulation; regulation can be pretty ineffective. I'm not saying that it has been ineffective but I say that it can be ineffective. But, we are told by the people who look into it that we've been ripped off by the oil industry to the extent of \$12 billion and, given the fact that a supposedly competitive industry has ripped us off for \$12 billion, is the Minister not looking into what is the situation with regard to the distribution of gas, particularly, Mr. Chairman, when we now have an energy problem and when it may be that there would be great efficiency if gas distribution and power distribution of the hydro type and of the thermally-produced type were integrated into one system, is it not possible, Mr. Chairman, that through the use of gas, electricity and solar at the right time that we can have a much more intelligent energy policy; and is the Minister saying that it's not being considered; it's not being looked into and, to suggest anything else to the Gas Company would be a threat.

Well, I think it's a threat to the people of the Province of Manitoba that the government at the present time is not giving any consideration to this problem and one of the things that was said by the Member for Winnipeg Centre, I think, should be well considered by the Minister with respect to regulatory

bodies, and the Member for St. John's raised, well it is always good to have the same monitor. The Member for Winnipeg Centre said that the Consumers Affairs Department should develop within it, as part of its structure, more an advocacy capacity when appearing before tribunal. And up until now, the Public Utility Board has had people appearing before them, yes, they've been citizens' groups; they've been sincere; they have tried very hard but on the whole they do not have the research capacity to be able to deal with some of the complicated formulas that are obviously inherent to what the Minister was saying: such as that 11 percent on expenditures will result in 14 percent investment; income on investment, which really will come out to 6 percent because it's 14 percent as a projection and it actually turns out to 6 percent. Isn't that what the Minister said? That's about it, Mr. Chairman. I'd like to know what figures go into that formula? I'd like to know what the depreciation factors are? I'd like to know what the reserves are? I, Mr. Chairman, don't have that capacity myself either, and that's why these things have to be dealt with by people who are in a stronger advocacy position, not from a point of view of the Gas Company but from the people who are buying from the Gas Company and that does not happen at the present time.

I suggest to the Minister that if he will look at what has happened to the people of Canada as a result of the distribution, the exploration, production, refinement, and distribution of oil, and a rip-off of \$12 billion. —(Interjection)— Well, Mr. Chairman, the Member for Lakeside says he wouldn't take this as a last word. I know that there are other words coming; I know that the Federal Government is very embarrassed with this report, very embarrassed and they will find somebody to write a different one; they will find somebody to write a different one, there is going to be another word. But what this report says, Mr. Chairman, has been written so many times over and over again that if it's not the last word it is the definitive word. What I heard and I haven't read the whole report, the hononourable member can read the history of Standard Oil and he will see that basically what this report describes is no different from what was the entire philosophy of John D. Rockefeller in creating Standard Oil in the first place. He said that in order to refine oil properly you have to get a good price for it; in order to get a good price for it, you have to eliminate your competitor; and he went to each of the independents and he dealt with them in a very similar way. He said, you have a choice, you can join us or we will ruin you. Those who joined him made money, those who didn't join him were ruined, and he set-up the mother of trust, which was the Standard Oil Company, which had a virtual monopoly on the refining of crude oil in the United States. He was a very efficient businessman, Mr. Chairman, and I've said so; I would want John D. Rockefeller running the oil distribution system of Canada.

My problem is that he was doing it privately, not publicly. What he was doing made good sense but he took the advantage of it rather than it going to the public; and this is no different, they have not changed. It's not that they have not changed because they are evil people; they have not changed because the laws under which they are governed, not

the written statute laws but the social and economic law, require them as a matter of good business practice to get as much as they can for their product and the way they can do that is to control it as much as they can and to eliminate as much competition as they can; and that is the law of everybody who's in business. The law of a businessman is not to compete; the law of the businessman is to eliminate his competition. This place has it eliminated to start with and if the Minister doesn't do anything about that, then nobody will do anything about that, Mr. Chairman.

MR. FILMON: Mr. Chairman, I'll provide for the Member as quickly as we can obtain the information. A review of the allowed rate of return for the Greater Winnipeg Gas Company on either investment or capital or overall, and the actual rate of return earned in each year for the past 15 years; I'll provide that information so he can judge it for himself.

MR. SCHROEDER: Thank you, Mr. Chairman, before I go into the matter of the rate of return, I would just like to say that I agree wholeheartedly with the Member for Inkster that the whole purpose surely of this Legislature is that we make laws, and if laws are not operating to the benefit of the population, then we are here to change them, and we would welcome an amendment to deal with the matter of the inequity with respect to Greater Winnipeg Gas and its customers and its work force.

I would like just to briefly ask some questions about this rate of return. First of all, I'd like to know how many shareholders there are in Greater Winnipeg Gas? The reason I ask that is I happen to believe that probably the bulk of the shares of Greater Winnipeg Gas are owned by NorCen or Northern and Central or a company of that nature; if that is a fact, could the Minister tell me what percentage of the share of Greater Winnipeg Gas are controlled by that company; could he name the company?

MR. FILMON: As I said earlier, Mr. Chairman, all of them, wholly owned.

MR. SCHROEDER: That very same company as well has other gas utilities which it operates, I believe it operates Gas Metropolitan, for instance, in Montreal; is that correct?

MR. FILMON: I understand that it's currently divesting itself of that ownership.

MR. SCHROEDER: And could the Minister indicate what other gas utilities are controlled by this same company?

MR. FILMON: Mr. Chairman, again because their current status may be changing on any or all of their investments, I'll have to undertake to bring that information to the member.

MR. SCHROEDER: Yes, Mr. Chairman, the head office company is a rather diverse company, it's in, I believe, it's in oils, it's in minerals, it's in many other activities other than gas utilities and I'm just wondering whether the Minister could tell me how much the customers of Greater Winnipeg Gas pay

for the head office costs of that head office corporation; how much they were paying in 1977; possibly also what is happening with Gas Metropolitan?

MR. FILMON: We'll add that to an Order of Return for information as well as the other information I agreed to bring for the member; it's public information and we can obtain it.

MR. SCHROEDER: Thank you, Mr. Chairman. I'll await that information with some interest. The Minister indicated that this company has no risk, there's no competition and of course it has a captive market and therefore the 6 percent seems somewhat reasonable. I'm just wondering whether he could tell us what kind of a return this company is receiving on its invested capital, as opposed to the total investment, which of course also includes debt. So possibly if I could start at what is the debt to equity ratio of this company?

MR. FILMON: We'll obtain that and put it in the same Order for Return as well as I've agreed to give the return on invested capital to the Member for Inkster. We'll bundle it all together in a total package.

MR. CHAIRMAN: The Honourable Member for Rossmere.

MR. SCHROEDER: Yes, Mr. Chairman, I'm becoming somewhat confused. Are we on the wrong section here, were we not dealing with items such as the gas company? I'm just wondering why the Minister doesn't have this information. Also could he give me a ballpark — is it one-fifth debt, is it two-fifths debt, approximately? Surely he can tell us approximately.

MR. FILMON: I hadn't expected that I would be asked to comment on orders of the board which are public information. The information that goes into them is public information and could have been obtained by the member previously. I hadn't expected that we would be debating board orders in the House so I don't have all that information at my fingertips, but I'll be happy to provide it for the member.

MR. SCHROEDER: Mr. Chairman, I didn't come here prepared to debate this, but when the Minister started talking about a 6 percent rate of return, then it surely became incumbent upon me to ask, 6 percent of what? I would suggest that if in fact the debt to equity ratio is something like four-fifths, that is that \$4.00 out of every \$5.00 is debt, and I don't know whether it is or it is isn't, then the 6 percent rate of return on total investment looks pretty good — in fact, it looks excellent — and the Minister I am sure, could make that calculation in his own mind very quickly. If, on the other hand, it's 100 percent equity, which I do not believe to be the case, that might be a different case altogether; but if it's 50 - 50, if it's half debt and half equity, then we're dealing with rate of return on actual invested capital of 12 percent as opposed to the 6 percent, and suddenly with the additional advantages of dividend tax credits and that sort of thing, you're winding up with

a very attractive investment for this group of investors from outside of this city. So I'm just wondering whether the Minister would comment on that.

MR. FILMON: I have agreed to bring forward the information. I'm sure that as a former vice-chairman of this board, the member probably has more of that information tucked away in his brief case than I do, but I'll be happy to provide it all for him.

MR. SCHROEDER: Yes, I can assure the Minister that in the last several years I have had reading material other than the matter of Greater Winnipeg Gas with which I have been busy, so I can tell the Minister that I haven't read one single report since 1978. However, while he is dealing with this area, I thought it would be an ideal time to refresh myself and possibly assist him so that next time we ask questions from this side with respect to what is going wrong down there, maybe the Minister next time will be so familiar with what is going on that he will be able to stand up and say yes, you're right, we're going to change the law to make it more fair for all Manitobans, for the gas company employees as well as for the people who use the product, and not to come in here and just tell us about this 6 percent rate of return that these poor investors are getting; because those of us on this side happen to believe that things aren't quite that bad for Norcen, which as a company, as the Minister is well aware, does very well on our stock exchanges and has been one of the better growth companies in North America over the last five years.

MR. FILMON: As a matter of fact, not being an investor in the stock market, I am not aware of how Norcen has fared in the past number of years. The figure of 6 percent was among several that I quoted. I said that it has been normally in the range of 8 to 9 percent but it has been as low as 6 percent on the actual rate of return.

Again, I repeat that there is very definitely arm's length relationship between myself as Minister and the board because the board is responsible to the Legislature, it only reports to the Legislature through me. So I am neither prepared, nor probably would I encourage, my debating board orders in this Estimates review. But if you want to get into any particular detail, I know the board is more than willing to provide it and I, as Minister, through whom they report, will convey that information to you. That's the only position I have on the matter.

MR. SCHROEDER: Yes. I wasn't here right when this area began, but I did hear something about the matter of the test year and I trust that there have been no changes in the past year, that is that the test year on which orders are based remains the fiscal year which has just been completed, as opposed to any kind of a forward-looking year which would change the calculation somewhat.

MR. FILMON: So we're the only jurisdiction in the country that still insists on it being of previous year's figures.

MR. CHAIRMAN: The hour is 4:30, I am interrupting the proceedings for Private Members' Hour. I will return into Committee at 8:00 o'clock this evening.

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. On Mondays, the first order of business is resolutions.

RES. NO. 6 - USE OF SEAT BELTS

MR. SPEAKER: We're dealing with Resolution No. 6, the Resolution of the Honourable Member for Elmwood, as amended. Are you ready for the question?

The Honourable Member for Elmwood will be closing debate.

The Honourable Member for Elmwood.

MR. DOERN: Thank you, Mr. Speaker. I must say that I have been disappointed once again with the government and the non-appearance of the Minister in this particular debate. I find it rather shocking that the Minister of Highways, who should be interested in the question of safety, has decided not to take part in a debate of this importance and he has I guess by proxy, designated the Member for Emerson to speak on his behalf.

I think, Mr. Speaker, if you examine the priorities of the government, this is another example where they have them backwards. We've already seen in Economic Development, how they're prepared to spend pennies on the economy in terms of encouraging the economy, stimulating the economy and improving the economy, and then they're prepared to spend tens of thousands of dollars on advertising programs to gloss over the real problems that exist.

In this case, Mr. Speaker, we're seeing a government that is prepared to spend millions on highways, millions and millions and millions of dollars and is only prepared to spend pennies on safety. Surely, Mr. Speaker, that is a terrible error in judgment. Surely the Minister of Highways is more than a person charged with building highways, paving, repaving, asphaltting and everything else, making bigger and better cloverleaves, surely he also should have some interest in the question of safety and so should the Minister responsible for Autopac. He too, should be in the forefront of those advocating change, of those going to the public and arguing on behalf of improvements in safety measures, but he too, has decided to sit silent.

He reminds me of that scene in the movie, *Moby Dick*, where the ship was being attacked by the giant whale and the captain turned to his men and his crew and he said, do something, we've got to all pull together, we've got to fight this terrible thing off, and the crew stood there and one spokesman in the crew said, we're dumbfounded, sir, we're dumbfounded and I guess that's like the government. They're stunned and they don't know what to do in the face of the major issues and the major problems of our economy and when it comes to smaller issues, the same thing.

So the Minister is hiding behind the MLA for Emerson and he really doesn't have a provincial program to encourage the wearing of seat belts, or to encourage better safe driving habits, etc., and the government is certainly not paving the way in this regard.

For example, in their amendment to the original resolution which calls for mandatory seat belts, you can see what a sham the amendment is. They only say that some people consider the wearing of seat belts to be advisable. They say that only four provinces have compulsory legislation. Mr. Speaker, I will read you a letter, maybe a couple of letters, that indicate there are more provinces interested and that there is a trend —(Interjection)— yes, I'm prepared to table it — I have permission of the Minister who wrote it, probably an old friend of yours — and the government talks about encouraging the voluntary use of passenger restraint systems but, Mr. Speaker, we know that these words are meaningless, that the government isn't interested. When they say encourage, they don't have a program, they do not have a will, and they do not have a budget to encourage the wearing of seat belts.

I would like them to answer at some point, how much money they have spent in their period of time in office, how many dollars they have spent to encourage people to wear seat belts.

Mr. Speaker, we listened to speaker after speaker after speaker on the Conservative side getting up and saying how terrible seat belts are; how they kill people, how they hang people, how they drown people, how they cause accidents, how they injure a person's stomach and all that sort of stuff, then they get up and they say, in conclusion, I am in favour of the wearing of seat belts but on a voluntary basis. Now that logic doesn't follow, Mr. Speaker. No. That logic doesn't follow.

If you feel that seat belts are so bad, you should lead a fight to ban their use; that would be the logic of your position if you think they are so detrimental to a person's health and safety; but instead the members of the Conservative Party who have never studied Aristotle's logic, they've set out all these premises about what a horrendous thing this is and then they draw the conclusion that seat belts are fine, providing they are voluntary. Surely, Mr. Speaker, that is bad logic and invalid argument and reasoning.

Mr. Speaker, the Minister who should be in the forefront of the fight for safety along with the Minister for Autopac —(Interjection)— Right. In the front lines, in the trenches instead of hiding in the tent waiting for a sandwich, those two men should be in the forefront. But what is the record? The Minister for Autopac, his record is what? He wants to discourage Autopac, or not permit them to challenge cases in the courts, or I suppose to spend funds on improving the safety record and the safety habits of Manitoba motorists. The Minister of Highways, I don't know how he can go to a meeting of Highways Ministers and hold his head high or not hang his head in shame, not be embarrassed.

Can you imagine, when it comes to motorcycle helmets, nine out of ten provinces have legislated in favour of compulsory helmets. The Minister himself says that people should wear helmets when they're snowmobiling to prevent deaths and accidents, but he will not support compulsory motorcycle helmets in Manitoba.

When it comes to a matter that I raised with him last year about encouraging and enforcing the law requiring people who ride bicycles to have their bicycles illuminated at night time, to use lights which

is on the books — the Attorney-General is supposed to be enforcing the law, but he doesn't — there is a law that says that everyone who drives a bike when it's dark out or in twilight, has to have a proper light, that is not being enforced by the police. I say that law should be enforced and when I raised that question a year ago with the Minister of Highways, he thinks that's a big joke. Well, when you hit somebody on a bicycle at night time that you can't see, Mr. Speaker, that is not a joke.

Then when it comes to seatbelts, 80 percent of the population is now covered by mandatory seat belt legislation and that is the two big central provinces of Quebec and Ontario, neighbouring Saskatchewan and British Columbia, but the trend is there, Mr. Speaker. In the Province of Nova Scotia, they have unproclaimed legislation in place, so they have the legislation but they have not proclaimed it.

Mr. Speaker, I must say I was quite amused when I received a telegram from the Honourable Minister, Thomas J. McInnes, Minister of Transportation from Nova Scotia, I'm sure he's a fine gentleman, but he unfortunately didn't realize that Winnipeg is in the Province of Manitoba, and he addressed his telegram to me care of the Alberta Legislative Assembly in Winnipeg. I guess he figured we're a bunch —(Interjection)— He knows that Peter runs this place, well that's true, I guess Peter is the emperor of western Canada, and we all must recognize that, at least the present government recognizes that, in terms of who's calling the shots. But they have legislation, Mr. Speaker, so that's a fifth province that has legislation, but it is not proclaimed.

I also received a letter — I wrote all the Ministers of provinces that apparently were not covered by this legislation — I wrote to the Government of Newfoundland and Labrador, to the Honourable R.C. Brett, Minister of Transportation and he said — and I would like to read his letter into the record and table a copy — he said: "The Provincial Government of Newfoundland and Labrador has decided to introduce legislation in the upcoming session of our Legislature, making the use of seat belts mandatory. I anticipate the legislation passing our House of Assembly by June. It will be my department's intention to undertake an educational campaign through the summer and fall and have the date for enforcing the seat belt legislation commence the first of January, 1982." So there is another province that is going to bring in mandatory seat belt legislation. Then he says this, Mr. Speaker, "The public in this province has known now for about six months that the government intends to make the use of seat belts mandatory. During that time my office has received many more favourable comments from organizations and the general public than we have comments from those opposed to our position on seat belts." Then he says, "Feel free to quote from my letter if you wish." So there's four provinces now that have this legislation; here's a fifth that is going to introduce it and there is a sixth that has it on the books. Eventually in the next couple of years what will happen? There will be nine provinces with mandatory legislation, or at least eight, we don't know about Alberta, —(Interjection)— rugged individualists.

My friend from Fort Rouge is right. If Alberta brings in the legislation, then Manitoba will

automatically bring it in. My friend wasn't listening when I said that they have legislation on the books. They have passed the legislation but they haven't proclaimed it. They passed it.

I am saying, Mr. Speaker, that four provinces have it, a fifth is enacting it, a sixth can proclaim it, that's the obvious trend. Then what's going to happen, the last province again will be Manitoba, because of the fact that in terms of helmets, we're going to be last; and seat belts, we're going to be last; so you can tell who's in the forefront of this type of legislation, of safety legislation in the country. Manitoba stands last and that's the Conservative Party dragging their feet, kicking and screaming to be brought into the 1980s.

Mr. Speaker, I simply remind you that this kind of legislation, that this type of device is common throughout our society. It wasn't too many years ago that when you went to a hockey game, you only saw the occasional player wearing a helmet. It was considered peculiar. I recall when I played in organized hockey — it sounds like a long time ago already, 30 years ago — and I remember one of the fellows who played with us had a black leather helmet and it was an oddity. He stood out. —(Interjection)— No, wait a minute, it wasn't then. I suspect now in the juvenile leagues that it is mandatory. There's a mix of pros wearing them and not; and it wasn't too long ago that goalies always went into the game without a mask. It was peculiar again, to see a goalie who might have a baseball mask on his face, but after Jacques Plante I think, broke a few more bones in his face, he eventually decided to wear a mask and I think he started the trend. —(Interjection)— I'm not sure what the Attorney-General is saying, he's a hockey player, pretty ferocious — well he's a has-been now — but I don't know whether he wore a helmet. Did you wear a helmet when you played?

MR. MERCIER: Certainly.

MR. DOERN: You did, and you probably wore some other devices under your sweater and stockings and so on, for protection as well? —(Interjection)— You wore a mouthpiece, or you suggest a gag or a mouthpiece? What are you suggesting for the Attorney-General?

Mr. Speaker, that has now been accepted. Workmen years ago, were forever getting their feet crushed or getting hit by some steel beam or a log or whatever. Now it is compulsory and many safety helmets, safety shoes, safety goggles, etc. etc., Mr. Speaker, these are now accepted in the workplace and if you don't wear them, I guess you don't work. Isn't that how it goes? Anybody who has ever worked in an area where there's high accident potential like Dominion Bridge and so on where I once worked, has seen terrible accidents and this is why we have this.

I am just saying, Mr. Speaker, in conclusion that the government obviously has little interest in safety or in educating people in this particular regard. Sure they have a couple of signs. Okay, they have a couple of signs. We don't know if it is one sign that's moved around; we don't know if it's one sign that they have photostatic copies of that they put up around the province, but they have a few signs; but it's a pretty meagre effort.

The only value, Mr. Speaker, that I can see out of this debate this year is that some of us have tried to

persuade some of the members on the government side; tried to persuade some people in the general public of the value of wearing seat belts, to attempt to educate people. We are stuck with the government amended resolution, because obviously they are going to support it, and since we can't have the compulsory aspect we have to go for the educational.

The trouble is, Mr. Speaker, the government is going to do nothing in that regard. They are shirking their responsibilities in this regard. They are not the leaders, they are the followers in the country, and I must say that I would hope that somebody on that side would have the guts to say, let's put some money into an education program; let's do some television advertising; let's do some newspaper advertising; let's get some sign ups; let's prepare the way, let's pave the way for the day in the future when we will have this type of legislation and encourage people to have better safe-driving habits.

QUESTION put on the amended Resolution, MOTION carried.

RESOLUTION NO. 11 TASK FORCE RE CONTINUING EDUCATION

MR. SPEAKER: We'll now proceed to Resolution No. 11. The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Speaker, I had a discussion with the Acting House Leader and also with you and it was agreed, I think, that I should ask leave of the House to insert some words into the resolution in order to make it acceptable to the government. Shall I read it as I would amend it, Mr. Speaker, then in reading it, or what is your wish?

MR. SPEAKER: Is there agreement amongst the members for that to occur? (Agreed) The Honourable Member for Fort Rouge.

MS. WESTBURY: Mr. Speaker, I move, seconded by the Honourable Member for Inkster;

WHEREAS it would be regrettable if post-secondary education should again become the prerogative of the rich, rather than an universal program benefiting all Manitobans;

WHEREAS in the past four years tuition fees at Manitoba's community colleges and universities have increased by 27 percent to 53 percent;

WHEREAS student aid loans and bursary maximums in Manitoba have not been increased in four years, a problem that is complicated by the fact that certain student aid regulations create deterrents for many needy students;

WHEREAS government student employment program salaries have been frozen for the last four years;

WHEREAS the government is lacking a clear policy showing any direction for the future upon which students may rely in planning the financing of their future education;

THEREFORE BE IT RESOLVED that the government give consideration to committing itself to ensuring that those students who have the ability and desire to continue their education, have the economic ability to do so; and

BE IT FURTHER RESOLVED that the government give consideration to establishing a task force made up of students and educators to review the economic aspects of continuing education in Manitoba as it relates to students' personal costs and ability to pay.

MOTION presented.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MS. WESTBURY: Yes, Mr. Speaker, I did introduce a similar resolution last year but unfortunately it died at the end of the session on the order paper. The only thing that has changed since then is that I have had to change the words "three years" to "four years" in discussing the lack of relief for students in Manitoba attending post-secondary institutions.

Mr. Speaker, in a report to the Federal-Provincial Task Force on student aid and on student aid in Manitoba, the vice-president of UMSU referred to the latest statistics available which indicate that only 3.5 percent of Manitoba applicants received the maximum award. Surely we can expect that there's a significant number of potential students from low income families, Mr. Speaker, wishing to pursue a post-secondary education.

The Free Press in what I understand was an informal survey in connection with an editorial recently, came up with an 8 percent figure of people under 35, who had been unable to go to University for financial reasons alone. Why then are only 3.5 percent receiving the maximum allowance, Mr. Speaker? Five possible answers to this question have been suggested and I think that they are worth analyzing.

It's been suggested by UMSU that a university education is for the elite and financial barriers presently existing will continue to keep it that way.

Secondly, an applicant from a low-income family, who has known hard times financially, is apprehensive about assuming a large debt load and will not apply for a loan. The advertising and promotion of the Student Aid Program fails to reach and reassure low-income students. The maximum award criteria set at a level where only the extremely impoverished applicant will receive the maximum award, as opposed to the low-income applicant generally; and that the level of financial support at the maximum award plateau, does not meet the needs of the low-income applicant and therefore, he or she makes no application.

Mr. Speaker, in 1975 the mandate of the Manitoba Student Aid Plan was stated as being to assist students from low-income families to attend post-secondary institutions. If any combination of the five answers to the question are valid, then the mandate is not being fulfilled, I suggest.

In ten years the maximum amount of assistance available has increased from a total of 2,000 bursary and loan combined to 3,600; in 1975-76 the total was 3,200, \$1,400 for a bursary and \$1,800 for student loan, Mr. Speaker. So that in ten years the maximum assistance available has increased only by \$1,600.00. It comes nowhere close to reflecting the increased cost of post-secondary education over the ten years that I'm talking about; it doesn't keep up with inflation either.

Costs to educate at the University of Manitoba have increased from 1975-76, when I said it was

\$3,200 maximum assistance available, only \$400 less than now. For undergraduate Arts, for instance, Mr. Chairman, in 1975-76, the cost was \$1,460 and now it's \$2,238, an increase of 53 percent; undergraduate science has increased by 54 percent since 1975-76; Education faculty has increased by 78 percent, Mr. Speaker. Whereas in the same period, the maximum assistance available has increased by 12.5 percent. Tuition increases, as opposed to University Grant Commission increases, were 20 percent tuition increases U of M; University Grant Commission 1 percent in 1978-79. In the two subsequent years it kept pace with the increase and this year the University Grant Commission has increased by 13.8 percent; it's expected that the tuition increase will also be 13.8 percent, Mr. Speaker.

Well there's been no increase in the student aid amount available since 1978; it remaining at \$1,800 for the bursary and \$1,800 for the loan. There's been a 16 percent decrease, Mr. Speaker, in applications for student aid. It's anticipated, it's believed, that the decrease is caused by the following facts: the criteria for student loans is less difficult than a bursary, it takes up to five months, Mr. Speaker, to process applications; advertisement and promotion for student loans and bursaries is very poor, as I've mentioned earlier, and it's known among the students that only 3.5 percent of the students receive the maximum number of dollars.

In referring to the five months up to which it takes to process the applications, one of my constituents was a victim of this practice, just this present year of University, this constituent was advised in August that her file had been selected for audit, this is a random audit; the information that was request was submitted to the Student Aid Branch in September of 1980; there was a meeting two months later with an audit clerk to discuss the student's file; the audit was completed in January and the file was forwarded for processing with the result that she picked up her cheque on February 5th, 1981, Mr. Speaker.

Now this particular student protested to the Minister, in writing, a week or so before she was able to pick up her cheque and perhaps her letter made it possible for her to pick up the cheque on February 5th, she was told that the award's notification letter was mailed to her on the 21st of January and if she was lucky she'd be able to pick up her cheque in the middle of February. She points out that — (Interjection)— great mail service, somebody who's obviously been following this with close interest suggested. I wasn't talking about the mail service, I was talking about when she could pick up her cheque, Mr. Speaker; nothing to do with the mail; you can't blame the post office this time around. Most of the time you can, but not this time around. She points out that by the time she gets her award over six weeks of the second term will have elapsed, including two apartment rental paydays — this is a rural student. She said if I were wealthy enough to support myself without student aid I would not have satisfied the order, so it can be pre-supposed that she needed the loan; that she was waiting for the loan. The information was in the office.

She points out that she's not responsible for being randomly selected, therefore why was she penalized for the fact that she was so selected for an audit. The principle behind student aid, she wrote to the

Minister, is to assist needy students in obtaining post-secondary education. I respectfully subject that this aim is not being met when I am desperately worried about how to pay the rent, cannot afford to buy groceries and can barely afford bus fare.

Mr. Speaker, that correspondence just backs up what I have tried to say about the fact that well-to-do students have the benefits at university, the children of well-to-do families, and the other students are penalized. A sad point to be made, I think, here is that while there is a decrease in the number of student aid applications for the University of Manitoba by 57 percent over a five-year period, the full-time enrolment at the same university has dropped by 9.4 percent in the same period. Now some people have said that the applications are down because of declining enrolment but my party suggests, Mr. Speaker, that the opposite is true, that declining enrolment is the result of the inadequacy of the student aid program and that there is a correlation between the applications and the awards given.

UMSU made certain recommendations to the task force. They suggested that the maximum amount of assistance for a regular academic year be reduced from 1,800 to \$1,400 for a Canada Student Loan and that the maximum assistance for a regular academic year remain at 1,800 for a bursary, but they also recommended, Mr. Speaker, that an additional provincial federal bursary program should be initiated to provide for those students exceeding \$3,200, with no ceiling on the maximum assistance available and the cost of the program to be shared equally. I will be interested in hearing whether or not the Minister has taken any steps to try to make this possible.

Under the present program, Mr. Speaker, a student must assume a minimum loan of \$700 in order to receive any kind of bursary at all. Many students, when they are considering entering university, have had very little experience at managing finances and only a few have ever assumed any kind of loan before. In Ontario in 1973 it was found that one-third of high school students who wanted to go to university were not prepared to borrow as much as \$2,000.00. Certainly there is little doubt that a student who has just graduated from high school, Grade XII in Manitoba, to that student the thought of assuming a debt load of \$5,000 plus interest over four years is frightening and in some faculties the debt load is considerably more than \$5,000, Mr. Speaker. At the beginning of their university career, the students have to project whether or not they will have sufficient income to make the necessary payments once they've graduated and it's our contention, Mr. Speaker, that to many students this is a deterrent to them from entering university at all.

In the editorial in the Free Press to which I referred earlier, reference was made to the fear of the universities that continued raising of fees will throw an insuperable barrier in the way of some students who would benefit from post-secondary education but can scarcely afford it. Mr. Speaker, Dr. Ralph Campbell surely is knowledgeable in this field of student financing and he has recommended, as I mentioned in the 1980 session, that maximum limits on student loans and bursaries be eliminated and

also that part-time students be more favourably considered, more favourably treated. In a speech that I made in this House last July, at the end of the session, I called for a reconsideration of the rules governing part-time students. Apparently it fell on deaf ears because nobody answered it.

Mr. Speaker, the Student Senate Caucus at the University of Manitoba has called for setting of student aid maxima to reflect the students' actual cost of living for a program that does not presuppose dishonesty; for establishment of a separate student loan plan as a lending agency of government, with loans repayable through a surtax on income tax. When I raised concern in June of 1980 about the Student Aid Programs the Minister likened the young adults to children whining about their allowances. Those weren't his words, but that's the sense of what he said; children whining about their allowances. It's pretty insensitive, Mr. Speaker.

I would hope that the task force that I'm suggesting be formed. In reviewing the economic aspects, consider all of the recommendations and come forward with positive suggestions for the government's perusal, including tying-in assistance with increased costs, including cost of living and with positive suggestions relative to the repayment of adequate loans.

Mr. Speaker, I don't just want to pass by with that limited reference to part-time students. In June, 1980, I asked the Minister to consider allowing them to be included in the Student Aid Program and in his reply he assumed that usually part-time students are working and so they are not in need of assistance.

Well, Mr. Speaker, I'm running out of time but I, and my party, do not believe that students with low family income who are working part-time necessarily are not in need of assistance and certainly the Student Aid Branch criteria would show if that were so; if they don't qualify the criteria are there to establish that they don't qualify. Also, we have to remember the single parent, Mr. Speaker, who is trying to improve the family circumstance while raising his or her young children.

Mr. Speaker, some students in Winnipeg are living in very poor housing conditions because their desire for an education is stronger than their desire for home comforts. Natural barriers for rural students make it more difficult for them to come into the cities to university or to community college. The government through its intransigence in this whole matter of student aid is placing further barriers between young rural students from low income families, as well as urban students from low income families, and the educational opportunities to which they aspire.

In closing, Mr. Speaker, I just want to emphasize my first WHEREAS, and ask the government in replying to this resolution to consider it. It would be regrettable if post-secondary education should again become the prerogative of the rich, rather than a universal program benefiting all Manitobans.

MR. SPEAKER: The Honourable Member for Springfield.

MR. BOB ANDERSON: Mr. Speaker, my government believes that post-secondary education continues to be a universal program benefiting all Manitobans. It also believes that students who have

the ability and desire to continue their education should have the economic ability to do so and has taken initiatives to ensure this.

First of all, Mr. Speaker, the maximum bursary available to post-secondary students in 1976-77 was \$1,400.00. This government, Mr. Speaker, increased this maximum to \$1,800 in 1978-79 and, furthermore, the average award for bursary and loan to recipients was \$1,633 in 1976-77; it was raised to \$1,757 in 1977-78; to \$2,220 in 1978-79; to \$2,488 in 1979-80; and to \$2,600 in 1980-81. It is estimated, Mr. Speaker, that for 1981-82 the average award will be some \$2,800.00. Those students for whom this amount is not adequate can receive, if they qualify, student social allowance through the Department of Community Services and Corrections.

It should be noted also, Mr. Speaker, that 80 percent of post-secondary applicants receive aid. The Honourable Member for Fort Rouge, Mr. Speaker, states tuition fees at Manitoba's community colleges and the universities increased over the last four years. Let us look at the tuition fees and compare them with some in other provinces.

As of July 1, 1980 tuition fees at the community colleges were \$30 per month; at the British Columbia Institute of Technology the fees were \$55 per month; at Kelsey Technical College, Saskatchewan, \$32 per month; at the Southern Alberta Institute of Technology in Alberta, \$31.25 per month; and at Confederation College, Thunder Bay, \$40 per month. With regard to universities, tuition fees for Arts and Science courses in all three Manitoba universities were \$615 for 1980-81; at the University of British Columbia, they were \$590 per year; at the University of Alberta, \$605 per year; at the University of Saskatoon, \$690 per year; at the University of Regina, \$728 per year; at the University of Toronto, \$835 per year; and at the University of Western Ontario, \$817 per year. Mr. Speaker, clearly the tuition fees in Manitoba are not out of line. The community colleges and universities have done a good job in keeping these fees at a reasonable level but financial support provided by my government to these post-secondary institutions has made it possible for them to maintain reasonable tuition fee levels. While tuition fees did increase, the Student Aid Branch did increase its allowances for tuition fees, books and supplies each year to match actual costs.

Mr. Speaker, I would like to turn to Student Employment Program salaries; the government has monitored this matter very closely. It recommends that there is a need to provide for an increase. For 1981-82, it proposes to increase salaries for the Student Employment Program; the salaries will \$330.02 bi-weekly or \$4.55 per hour, for those who have completed university or community college year one, to a maximum of \$401.14 bi-weekly or \$5.53 per hour for students who have completed university year five; these salaries represent an increase of some 20 percent.

Mr. Speaker, on the matter of reviewing student financial needs, I want to point out to members that the salary levels for the Student Employment Program are reviewed each year by the Employment and Youth Services Branch and the Personnel Administration Branch of the Civil Service Commission. The Student Aid Branch has a student

aid counselling committee composed of institutional staff, student representatives and Student Aid Branch employees which meets frequently to make recommendations to the Minister on the criteria, allowances and expense levels used by the Manitoba Student Aid Program.

In addition to these reviews, Manitoba has co-operate fully with other provinces and the Government of Canada in reviewing student assistance. Manitoba has representation on the Federal-Provincial Task Force on student assistance, in fact, Manitoba has recently accepted co-chairmanship of the joint task force on student aid. This will provide Manitoba with an even stronger input in the development of a new pattern of awards. This task force, it is expected, will be presenting its final report some time this fall after the responses from students, educators and other interested groups are received to the report delivered in January of this year.

In conclusion, Mr. Speaker, I want to stress that this government is committed to ensuring students have the economic ability to continue their education and I believe this government has acted, and is acting, responsibly in this matter as it does in all other matters. I would propose at this time an amendment to the resolution.

I would move, seconded by the Member for Dauphin that the Resolution of the Honourable Member for Fort Rouge be amended by deleting the words "it would be regrettable if" in the first line of the first paragraph; and that the words "again become the prerogative of the rich rather than" be deleted; and the words "continue to be" substituted therefor.

That the following paragraph be added after paragraph 1;

WHEREAS the government is committed to ensuring that students wishing to pursue post-secondary education are not restricted because of economic factors.

And that in the second paragraph all the words in the third line be deleted and the words "kept to a reasonable level as a result of this government's financial support to these institutions" be substituted therefor.

That all the words in lines two, three, four and five of paragraph three be deleted and the words "average awards to recipients have increased substantially over the last four years" be substituted therefor.

That the following paragraph be added after paragraph three.

WHEREAS 80 percent of post-secondary education applicants for student aid receive assistance.

And that in the fourth paragraph the words "Government Student Employment Program salaries have been frozen for the past four years" be deleted and the words "the government proposes to increase Student Employment Program salaries substantially for 1981-82".

That all the words in the fifth paragraph be deleted after "WHEREAS" and the words "this government deems it imperative to co-operate fully with other provinces and the Government of Canada in the provision for student assistance and by accepting co-chairmanship of the Joint Task Force on Student

Aid is providing strong input in the development of a new pattern of awards" be substituted therefor.

That in the sixth paragraph, the words "continue to" be inserted in the first line after the word "government"; and that all words in paragraph seven be deleted.

For the benefit of members and yourself, Mr. Speaker, I have included a draft of what the final resolution should look like.

Thank you for your attention.

MR. SPEAKER: Without having the opportunity of studying each one separately, is it permissible to take this matter under advisement?

The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, as I understand it, you are contemplating calling it 5:30 to give yourself an opportunity to review whether or not you believe that it's in order but I would like an opportunity to ask the member a question, if I may, before I lose that opportunity.

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

MR. CHERNIACK: Thank you, Mr. Speaker. I note the statement made by him and I think it's repeated in that document which you are perusing that 80 percent of post-secondary students receive assistance. I wonder if the member could give us a little bit of detail of that and undertake to let us have a breakdown of the extent to which 80 percent of post-secondary students do receive assistance from the government, by bursaries.

MR. ANDERSON: Well, I don't have information for a breakdown, as the Member for St. Johns has requested. I can acquire that information and see that he gets it. What I would point out is that I think the statement said 80 percent of post-secondary applicants receive aid.

MR. SPEAKER: The Member for St. Johns.

MR. CHERNIACK: Speaker, since I notice now that the word is "applicants" in the amendments, my impression is that the member had stated students, but maybe in his verbal presentation I may not heard him correctly. If he will give us that breakdown, could he inform us in due course, what percentage of students are applicants so we can find out what percentage of students are recipients of aid?

MR. ANDERSON: Mr. Speaker, I will be pleased to look up that information and present it to the member.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, on a point of order. When you are examining this resolution, I perhaps am not reading it properly because I only have the amendment, but if I am reading it properly I wonder whether the Member for Springfield can make a resolution on behalf of the government? Whereas this government deems it imperative to co-operate fully, that I do not know whether a private member can make such a resolution.

Monday, 9 March, 1981

MR. SPEAKER: Is there an inclination to call it 5:30? Is there any information the Government House Leader wishes to impart?

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

MOTION presented and carried and the House adjourned and stands adjourned until 2:00 p.m. tomorrow. (Tuesday)