

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 22 June, 1982

Time — 8:00 p.m.

MR. SPEAKER, Hon. J. Walding: Order please. The discussion on the Rules before the House at 5:30.

The Honourable Member for Virden on a point of order.

MR. H. GRAHAM: Mr. Speaker, on the same point of order that was raised at 5:30 or was in discussion at 5:30, if I may speak to it before you make your ruling.

I have, over the supper hour, done some research and I have failed to find any reference in past history of this House where the Premier of the province has ever delegated the authority to anyone to speak for unlimited time on a grievance. I admit that I may have missed some points in the records of the House, but so far, I have found nothing in that field.

SPEAKER'S RULING

MR. SPEAKER: I thank the honourable members for their advice. I would like to give a ruling on the matter.

The discussion on the Rules at 5:30 appears to hinge on whether the discussion of a Matter of Grievance is a debate and if so, whether the Minister of Energy and Mines was entitled to speak for an unlimited time.

Beauchesne's Fourth Edition in referring to Grievances says in Citation 234, in part, "The debate in such a case is limited by the rules respecting any order passed by the House for the purpose of regulating its discussions."

Our own Rule 36(1) says that, "The following motions are debatable, that is to say, every motion (a) standing on Orders of the Day."

These would appear to indicate that the grievance procedure is in fact a debate. Since, as a principle, debate only occurs in the House when a motion is put before the members, the House will surely recall that the motion put to them by the Speaker is, that, Mr. Speaker, do now leave the Chair, etc., etc.

Given that the discussion was in fact a debate, our Rule 33(2) would appear to enable the Honourable Minister of Energy and Mines to speak for his Leader and consequently enjoy unlimited time.

If the foregoing is not a strong enough argument, parity and fair play would indicate that a Member of the Treasury Bench reply to the Leader of the Opposition's remarks.

I therefore conclude that the Minister of Energy and Mines is entitled to speak on a grievance without time limit.

The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Mr. Speaker, I rise to respond to the Leader of the Conservative Party with some considerable regret and disappointment. I'm a politician, as we all are in this Assembly, and we should and are used to slings and arrows directed to us personally, but we have just witnessed the Leader of the Opposition, a former Premier, who got up and played the cheapest and shoddiest of politics. He did so, I believe, at the expense of ongoing negotiations and

discussions. I get concerned about that when we have the former Premier of the government coming in here and tabling a document dealing specifically with negotiations and then using that document to do a running smear attack on civil servants. Mr. Speaker, . . .

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

HON. S. LYON: The Deputy Minister of Energy and Mines, Mark Eliesen, he is not a professional civil servant. He's a party hack hired by these people. He's not a professional civil servant at all. He's a party hack. He's one of your Reds.

MR. SPEAKER: Order please. The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: This is what concerns me when we have this man come in here, usually in the evening session I might add, and then starts again the character assassination of an individual saying, this man's a hired socialist; that this man is a Red; patronage people, he says. Mr. Speaker, I ask, is the age of McCarthyism dead when we have an individual like that in the Legislature?

You know, he reminds me of some politicians that you see and I had hoped that these were caricatures actually. The fellow who gets up and starts attacking another person and calls him every name under the sun and then, when that person runs out of breath and runs out of thought, adds the clincher, he's a Commie or he's a pinko. That was the age of McCarthyism; that was the smear tactic. What did it do to the calibre of the bureaucracy of the United States? What did it do to the foreign service? What did it do to the army? What did it do to the Civil Service internally? We had that whole thing happen in the 50s. We had that whole thing happen in North America in the 50s and this person, who should know better, comes in and constantly and consistently tries the smear attack.

Now, Mr. Speaker, surely the people of Manitoba on November 17th rejected most definitively that approach to politics. Mr. Speaker, I say that it is important that we get out of the gutter, that we debate the issues, that we discuss them, but we don't get into it with smears on deputies or smears on teams of staff and leaking documents, bringing in documents. Bringing in the documents, Mr. Speaker, and then saying and attributing everything totally to those individuals as if somehow there is this malicious conspiracy under way within the administration of the day today to somehow rip apart these projects that existed.

Now, what I find so astonishing about this, in relation to some of the items that were raised by the Leader of the Opposition, is that I was concerned, and I still am very concerned, about the Western Intertie. I indeed talked to the Leader of the Opposition off the record about three-and-a-half months ago, indicating —(Interjection)— fine. I raised it, I told you specifically what the item was of major concern. I did that because I felt it's important that we develop a nonpar-

tisan approach to try and get these projects pulled together in good shape. I indicated to him what I felt the major weakness of the Inter-Tie agreement was. I indicated that I felt an agreement that commits Manitoba to build a Hydro dam at a fixed cost whereby Manitoba would be responsible 100 percent for any overruns and if you look at the history of Hydro development, we've had overruns. You know, here we are. That was a commitment on the part of that government and I said, that was something that the people of Manitoba couldn't accept because if there were overruns the taxpayers of Manitoba or the consumers of Manitoba Hydro would have to pay that overrun and pay it as it's amortized over a full 35-year period. Imagine if we had an overrun of \$200 million, \$300 million or \$400 million at 18 percent, who would be responsible for that?

So, I raise that. I told that in confidence to him because I cared. I thought it was very important that we not undermine that. I have never ever raised and tabled documents relating to any of the mega project negotiations. I did not want to jeopardize them in any way, shape, or form. I did not want to and I think the experience holds here. I didn't table the document today. It was the Leader of the Opposition who did that; who used that to ridicule staff in particular. I have said that it is important that we try and pursue those mega projects, even though the times are extremely difficult; that we would negotiate in good faith. That is what we had said we would do and we indeed are pursuing that, but at the same time we would negotiate to try and insure a fair deal, not only for today but for future generations.

We said that is a very good principle in terms of negotiation and, with respect to the Power Grid, we said that we should indeed look at it in terms of one province not having to subsidize the other two provinces. I think that's a fair position to take. Secondly, we said that there should be a fair and equitable sharing of risk and sharing of benefit, and that's the approach that we took when we reviewed the projects and we had some concerns.

The Leader of the Opposition is the one who forced the issue, tabled the documents, tabled them in a particular way that I'll get back to later, which in a sense almost puts them in the position of arguing and debating against Manitoba's interests. That's what I found so surprising. He took a document to the Saskatchewan Power Corporation; he took that and he used that as his focus of argument against what the Manitoba Government had been doing.

Now, I find it amazing that we would have the Leader of the Opposition again try to negotiate, not to protect the interests of Manitoba, but rather somehow to promote the interests of those people whom we are negotiating against. The Leader of the Opposition has just said that somehow the negotiating position adopted by the Manitoba Government was in fact developed by party hacks, and I want that on the record because that is the position that he has been taking consistently with respect to every one of the negotiations. I will come back to that, Mr. Speaker. I'll come back to that because it is so wrong and that's why I find that the character assassination of the Leader of the Opposition is so unjustified. But first, before I get to the mega projects, I want to talk a bit about the

expectations. I want to talk about the so-called bequest that government gave to us. You know, to you the torch we pass.

It's interesting. When I assumed office, Mr. Speaker, I walked into my office; there literally wasn't a file in sight. The Minister had taken all of his files. Now, we had a special assistant who was involved in so many of these activities. He really didn't take many of his files; apparently, he shredded them. That's the bequest; that's the turnover.

So it did take us some time, Mr. Speaker, looking through different sources, different parties, to put together the information relating to various of these negotiations. We didn't want to publicize that too much because we certainly didn't want to contact Alcan or any of these companies and say, "Psst. Would you please send us your package of files because we don't have them." But slowly we put together what I call a reconstituted set of files and we were able then, in the process, to develop negotiation strategies which we are continuing.

Now, one of the things that happened is that when we were looking for these files we saw that there were some files on a disc in a word processor. We have a government word processor in my office. So we pulled those files off the discs and we found that some of them were a bit more recent and we could then add to the files, because what's important in negotiations is getting some chronology of what's taken place; what was the starting position; what was given, what wasn't given; what's the give-and-take over a period of time.

The other thing that I found astounding about these so-called brilliant businessmen over there is that they never took notes; they never kept records; it was all ad hoc. It was all almost word of mouth, backs of envelopes. There were consulting studies done from time to time, but there weren't systematic consistent notes of what had taken place. But what was really interesting, in terms of the material that we pulled out, was a particular document and it relates very much to expectations and the approach of the government in its last days.

It's interesting to note that this is called "Riel and City Telephone Interview Results" - it's a poll. It's a poll run conceivably, privately or publicly, I don't know, but certainly it was on the government word processor, Mr. Speaker. That's where that poll was by the Conservative Party. It's an interesting thing, it says the attached is the result of a telephone interview survey commissioned by Don Craik and carried out August 17th to 22nd, 1981; 200 calls in Riel Constituency and 300 in the remainder of the City of Winnipeg. Now, the interesting thing about the poll is it was carried out between August 17th and August 22nd. Note the date - before September. Come back to that, also on a government machine. I won't go through all of the material here.

It's interesting, sure. It's here. You know, one of the things that's in it, one of the points is Premier Lyon is strongly disliked by some respondents; we knew that. We didn't have to commission a poll for that. It showed that, Mr. Speaker. This is the interesting thing, and I don't want to take too much time going into it because it rehashes so many different things. It's an attitudinal survey, a poll. If people want to see it, they might take

a look at it. They might find it interesting, but there are some interesting pieces when you get to Page 10. It said, in Riel, the figures were PC, 39 percent; NDP, 28 percent; Libs, 9 percent; Progressives, 2 percent. Removing the 'don't knows' and the 'refusals' - which is a tricky thing in polling as a number of people have found out subsequently - the PCs would get 50 percent of the vote; the NDP would get 36 percent of the vote. It said that in a citywide sample, the preferences were as follows: NDP, 33 percent; PC, 30 percent. Removing the don't knows and refusals gives us a figure of NDP, 45 percent; PC, 40 percent.

What it goes on to say is, "This represents a loss of PC support to the NDP in Winnipeg possibly sufficient to put at risk such seats as Radisson, St. James and Wolseley without much chance of compensating gains; however, it is impossible to project with any certainty the outcome in individual constituencies from a citywide sample." The conclusions were, "Don Craik is the clear favorite in Riel and would win re-election; however, the party has lost some ground in Winnipeg and some seats we currently hold might be lost." It's a warning at the end of August. "The PCs benefit from the optimism generated by the mega projects," says the report, "support for their stand on the constitution, their image of efficient, decisive government and fears about the NDP and its weak leadership. We lose ground on account of the performance of the economy. Further, the Premier is not especially popular, though the PC team may be an asset in comparison with the people in the NDP. My sense of it all is that an election in the near future would be a pretty pretty close-run thing. The party would, however, benefit from further developments with respect to the mega projects, a favourable Supreme Court ruling, or any amelioration in the economy such as a decline in the interest rates."

So what happened after this conclusion was reached in a poll that the party would benefit from further developments with respect to the mega projects? Did they indeed sign the agreements? Did they sign the agreements, bring them forward to the general public and say, here, we are running on the record of our signed agreements? That's what we seek election for; we have said that this is virtually our total and complete thrust with respect to the future. They're signed; they're sealed; they're here. Judge us on them now.

That's not what they did. No. Boom, Mr. Speaker. We had the mega projects advertising paper throughout the month of September. What did we do at that time, Mr. Speaker? The whole approach was to raise expectations with respect to projects that were not signed, sealed, and delivered and spend public money to do so, Mr. Speaker. They had the shame, the audacity - they wouldn't even use their own party money to do that.

If you can recall at that time, we had this strange situation of government ads running and then we had the Premier, at the time, coming on television saying virtually the same thing. Remember? They were pulling these things together, and the interesting thing is that the advertisement, interrupting MASH - sitting on a gold mine - that whole approach of raising the expectations. You know, the sad thing is that, as the Minister of Energy and Mines, I had to pick up the Special Warrants to pay for all that advertising that

was done by those people.

The thing that I find so interesting, for this total of \$144,000 in advertising, is that somehow the Department of Energy and Mines signed a contract with a company called Scott and Withrow Incorporated. Remember the group from Toronto that used to fly in and out to advise the Premier, write his speeches? But somehow this group - because they don't have any hacks, Mr. Speaker; they don't do anything like that - this group went out and commissioned a series of ads that cost the taxpayers of Manitoba \$144,000 and, Mr. Speaker, contributed very directly - that's the minimum cost - I suggest, to their defeat because the people saw that as a very cynical approach. But the interesting thing is that it had some negative effects, had some terrible, negative effects.

If this advertising campaign was taking place, gee, something might be happening and some people went out, and I had the situation in Balmoral when I went there where I talked to the people and somebody said, I've started a subdivision in Balmoral. Another person said, I thought I'd get my store working better. I said, well, what's happened. They said, well, you know, over the course of the last four years, our economy came virtually to a standstill. I said, well, did you have anything happening before that period of time? They said, yes, there was steady growth in that area. It's interesting; this was at a public meeting. I could appreciate their concerns. Imagine having your expectations raised like that with a whole set of government advertising, publicly paid for, paid for by the taxpayers, raising a number of expectations very prematurely and getting people, some people, thinking that despite the fact that things were very bad over a four-year period, that somehow mega projects that weren't signed, sealed and delivered would somehow be everyone's salvation. That was the approach of that government in its dying days.

You know, there's this whole debate that's taken place through this Session that somehow the NDP snuck the election, stole the election. People rant and rave; they want to fight the election over and over and over again. Let me tell you when you could tell a good sign that they were losing the election. It was when, in 1979 in the Federal campaign, the NDP went from 2 seats to 5 seats. Then in the 1980 Federal campaign, the NDP went from 5 seats to 7 seats.

We had —(Interjection)— good for us, that's right. But let me tell you, they weren't saying 'good for you' then. They were scared; they were terrified, running terribly scared. We sensed this when we went out to the general public and we went throughout Manitoba and talked to the people and consulted with them directly. We sensed that there was most definitely a dissatisfaction with a government that had developed a state-of-seige mentality, a bunker mentality; that wouldn't go out and talk to the people. They really had decided that they already were losers.

The interesting thing is that they didn't go out and talk to the people. I get told that I screwed up my courage and went out to Balmoral. Let me tell you, I went out to Balmoral - I didn't send out ads - I went out directly to Balmoral to speak to the people, just as the Premier of Manitoba went out to Leaf Rapids and Lynn Lake, just as I went out to The Pas. I wasn't putting out ads; I wasn't raising those false expectations. We went

out to the people and we talked about the economic and social reality of what we have before us and we told the truth. We did not hype up advertising; we did not hype up the impression that somehow something, some nirvana, was going to happen tomorrow.

So when we say, if you were so certain, why didn't you take the time? Why spend government money on advertising? Why hype it all up ahead of time? — (Interjection) — taxpayers' money, that's right. Why do that if you were so certain? Surely, that defies logic. Granted, there were efforts of a very sincere nature undertaken by the previous administration. These things weren't just manufactured and I will say that there were sincere attempts, but we are living in very very, difficult, unpredictable times and there wasn't the certainty about that. But they were very nervous at election time and that poll is rather interesting because of the polls from my predecessor, the person who was handling the mega projects, the person who commissioned all the advertising. Now, we have those expectations out there and the Conservatives are desperately trying fulfill that notion they were creating through the government advertising, through taxpayers' paid advertising, when in fact the economic reality around us is dictating that other events will occur.

Tell me where in North America, at least in Canada and I think in North America, do we have any mega projects taking place. There is an economic reality out there that we, as people in this Assembly, have to recognize and understand. That doesn't mean that we turn our back on them. That means that we still pursue them; we try to accomplish them. But it certainly doesn't mean that go out into The Pas, say, and raise a whole set of expectations out there. We sat down with the Mayor; we sat down with the workers; we sat down with the Community Council there. We sat down with those people and we talked about economic reality and the fact that we would, over the course of the next year, try and develop this investment to try and stabilize that plant over the long run. We were very open with the people there. We indeed have said that we would negotiate any of these things in good faith within the context of the reality that we live in, the economic reality.

I almost sense this sense of glee on the side of the people opposite when economic reality dictates that certain things may be postponed without any definite date as to when they might resume. I find virtual gloating on the other side. Yet, we have had the Alsands Project not happen; we've had the Alaska Highway Project not happen; we've had the Cold Lake heavy oil development not happen; we've had even the development on the West Coast not happen and certain ones on the East Coast. We are in a very severe time of economic recession. We aren't trying to mislead the public in any way, shape or form, but the thing that I find interesting is that somehow the Opposition wants to refight that election over and over and over again, rather than pointing out and trying to relate to the reality of the fact that a lot of these projects are, indeed, in a difficult state.

Now I want to talk about what the Leader of the Opposition tabled today. This was a letter from Bob Monker to Marc Eliesen, with a copy to Bob Steel, who is the Alberta staff lead-person with respect to the

negotiation team. Having tabled that letter, he then read it out and proceeded to launch, as I said, a character assassination. On the staff, he talked about the team and especially the Deputy. Why? Why would he do that? Obviously to score the cheap political points and, again, the cheap political hack, the socialist friend, implying that everything that was put in that letter was somehow grew out of his head, only out of his head — (Interjection) — that's right, say it again. But let me tell you, I want to table some documents in this respect because I think it's important to try and provide the balance, because what we've had here is the Leader of the Opposition table a letter - I'll be coming along to the courts as I go - and take the position of the writer with his editorial comments at the same time.

Now what we did, we've had economists do a reviews; lawyers do reviews, but I just want to focus in on one major one and the letters that relate to it. It's a letter from Mr. Blachford, President and Chief Executive Officer of Manitoba Hydro to Mr. Mark Eliesen, Deputy Minister of Energy and Mines, February 8th, 1982: "Following the January 26th Regional Meeting, I agreed to have prepared further data to assist in Manitoba's approach. Enclosed are the following data: (1) Limestone Estimates, a letter from D.S. Duncan to L.D. Blachford and attachments. We will be discussing early next week the advisability of performing a risk analysis of the Estimates and (2)" - this is the part I'll table here - "Outstanding Concerns: a summary of issues in priority as seen by management, including an estimated benefit of revisions to Manitoba, plus two pages of explanation of these. Staff are now preparing drafts of how Manitoba Hydro suggests the paragraphs of the draft Interim Agreement might be worded and we'll talk to you further next week on this.

"Summary, Outstanding Concerns. Issue in order of priority: Limestone costs; resolution, change wording of Clause 1.1.5 to tighten sharing of risks between all parties; estimated benefit of revisions to Manitoba 1980 - millions of dollars, reduces risks of additional costs over \$928 million plus 10 percent in March 1st, 1981." What had happened there is that this is a valid concern on the part of Hydro. It's what was sent on to Saskatchewan and Alberta. This is the concern that we just heard the Leader of the Opposition mock and ridicule, a particular socialist tact. Isn't that interesting? You know, the point about that is, why would they bring it forward? Was it a fair and reasonable note that if there were any overruns - and, you know, who can predict what'll take place with respect to construction costs between now and 1988 or 1989 that Manitoba would be left holding the bag, 100 percent. That's what you agreed to. Limestone output was the second item of concern in the order of priority - by some socialist act or by the management of Hydro? "Resolution, change clause to reflect net change in power production attributable to Limestone or increase payment to greater than Limestone cost, estimated benefit revisions to Manitoba \$65 million or greater."

Now, Mr. Speaker, I have these valid concerns being raised and people are saying, these are things that you should close your eyes to and I'll get into this a bit later as to what the meaning of this is.

The third item is sharing of benefits limited to 1.5 times Manitoba's costs and Hydro says that the resolution here should be that there should be a 50-50 split and this should automatically occur after recovery period, rather than require or request to party to change price. The estimate there, because we're talking about the future which is hard to predict, the estimate by Hydro, and they have a range, is \$30 million to \$500 million. It's a real number, obviously, it should be looked at.

The fourth area was reliability benefits, put forward again by Manitoba Hydro. Some reference to these should be included in this agreement and a method of application is suggested, estimated benefit of revisions to Manitoba, up to \$220 million.

Now, those are points put forward by technical people, put forward realistically through the negotiation team —(Interjection)— yes, I'm going to table it. I'm prepared to table that —(Interjection)— yes, it is fair. I think that's fair in that sense and I think it's interesting to see what - you know, if you knew all that —(Interjection)— that's right. I'll file this because —(Interjection)— he said he knew that when he made that silly speech. He in fact says now, yes, that he knew all these things when he in fact made his speech condemning Manitoba.

Now, I am going to read into the record two letters that really, Mr. Speaker, are based on that documentation that indeed was provided to us by the management of Manitoba Hydro, who I think had integrity when they put that forward. The letter is dated March 4th to Mr. Robert Moncur, President of Saskatchewan Power Corporation, 2025 Victoria Avenue, Regina, Saskatchewan. "Dear Mr. Moncur," and I'll read the letter because I think this is important to deal with the particular item that was tabled today by the Leader of the Opposition. There were, I think, a lot of character assassinations. In a sense, the position of Saskatchewan was taken —(Interjection)— fair, and that's understandable and I guess disappointing, but not unexpected from the Leader of the Opposition. Now, the statement says, "At the last meeting of the Western Provinces Electric Inter-Tie, some issues were raised that require further discussion, prior to the scheduled meeting of Ministers on March 15th, 1982, in Calgary. It is hoped that this letter will clarify the Government of Manitoba's position on these issues.

"First, it is important to emphasize that Manitoba wishes to proceed to a finalized Interim Agreement on the Inter-Tie as quickly as possible. We believe an Interim Agreement would resolve certain parameters on the project as well as establish a mechanism for dealing with other equally important factors in a future time schedule. However, it is important that this Interim Agreement provide for a fair and equitable sharing of the benefits and costs of all three provinces. To achieve this objective, we believe that a small number of modifications to the draft Interim Agreement are necessary. Moreover, we believe that these changes all fall within the intent and the spirit of Clause 2 of the draft agreement, which intends a favourable impact on power rates in all of the provinces.

"The modifications we propose are the following: Limestone cost. The single largest item in the Inter-Tie project is the capital cost of the Limestone Gener-

ating Station. We believe the costs included here must be the actual and reasonable costs of construction. The base cost of Limestone at \$928 million plus 10 percent," - that's 1980, which really has a price well over \$2 billion by the time you have the actual expenditure accumulated by 1988, "may be subject" —(Interjection)— that's right. There was another thing about the mistakes and this is a mistake that was just an amazing mistake. The base price was put in as of 1981 and that was a mistake by the previous Chairman of Hydro, who, frankly I think, should have been the technical person involved in those negotiations and that's why Mr. Blachford has been involved. But there is the figure put in of 928, 1981 costs. We've sought to have that reflected as 928, 1980 costs, which we felt was the real cost and this is what was confirmed to us. "These may be subject to cost increases, other than those caused by inflation and interest allowances.

"In particular, we feel that factors such as the availability of trade workers in the Western provinces, unusual river conditions, or unforeseen foundation problems may result in increases in site construction costs. The base costs of \$928 million is primarily developed from the 1980 costing information. Already, due to factors such as construction camp accommodation, regulation, and revised construction details, the 1980 base cost has increased to \$947 million.

"Manitoba proposes, therefore, that capital costs remitted to the Limestone Generating Station be put on the same basis as transmission line costs, that is, actual, fair and reasonable, and further proposes that a Multiprovince Monitoring Committee be established in order to assure that all costs reflect this principle." Is that unreasonable, unfair?

"It is thus recommended that Clause 1.1.5 be revised as follows: the capital costs for the Limestone Generating Station shall be the actual costs. A committee with equal representation from each province shall be established to monitor the Limestone Generating Project."

Moving out to Limestone Output: "As you are aware, Limestone Station cannot itself generate an average of 7,280 gigawatt hours over the life of the proposed agreement. At the initiation of this project, some increase in the tail water level of the upstream station at Long Spruce is contemplated, thus reducing the output of that station and, in effect, transferring the output to the Limestone Generating Station at the expense of Long Spruce." So there's a benefit to Limestone at the expense of Long Spruce, which is part of the remaining Manitoba system. "A similar effect occurs when the next station downstream is constructed, reducing the output at Limestone. Manitoba proposes that this be taken into account in the cost-of-service analysis. It is necessary that the agreement include provision for either reducing the amount of energy in the sale transaction or properly reflecting its cost to Manitoba.

"Thus, the following changes are recommended: revise fourth "Whereas" clause as follows: Alberta, Saskatchewan and Manitoba agree that the appropriate procedure for commencing to obtain such benefits would be through the sale from the Province of Manitoba to the Provinces of Saskatchewan and Alberta equivalent to the net increase in the actual power production of the Nelson River attributable to

the Limestone Generating Station."

Again, we're saying that one province shouldn't be subsidizing another province and there's a loss to the Manitoba generating system from this. Is it a fair and reasonable request to make that type of request for modification?

Now, "Sale of power is the amount of power equivalent to the net increases in the actual power production in the Nelson River in any year attributable to the Limestone Generating Station. Two-thirds of the Sale Power will be sold to Alberta and one-third to Saskatchewan. Conversion and transmission losses will be prorated to each producer at points of delivery. The sale of the "Sale of Power" at 40 percent of capability on completion will commence December 1st, 1988, rising to 60 percent by August 1989, and 100 percent by September 1990, and will terminate March 31st, 2023." And 2023. I mean, that's a significant number.

So the interesting thing is when you put this thing forward, what you have are statements from the Leader of the Opposition. When you put the facts on here, who are you trying to kid?

"Benefit sharing" — (Interjection) — which is Doug Duncan? Which Doug Duncan are you referring to? That is the interesting thing. You see the character assassination that takes place under the Conservative Government? Some time in August of 1981, I believe, a new General Manager of construction was hired whose name is D.S. Duncan and when I raised that, what did he say? Who in the hell are you trying to kid, Doug Duncan, your hack, your . . . If we have ever had a concrete example . . .

HON. S. LYON: Mr. Speaker, on the point of order, I am quite happy to acknowledge that the D.S. Duncan he refers to is the intelligent D.S. Duncan. Thank you.

MR. SPEAKER: I doubt that was a point of order.
The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: What we have just witnessed is the instant character assassination, the slander, that is the concrete example of the McCarthyism that is so much the character of the Leader of the Conservative Party. It's so sad that when you are bringing this forward, the first thing this person can do is viciously attack the character of a person because the person's last name happens to be Duncan. So don't talk about the agreement, but cast doubt upon it by attacking the individual. We had a classic case of that, again, a classic case of foot-in-mouth disease that is so characteristic of that person over there.

They also talk about benefit-sharing in that letter. "Section 4.0 to 4.3, which deal with price changes during the course of the agreement are unnecessarily restrictive. The major objective of these provisions is to ensure that there is a sufficiently long period of time for the buyers to recover any extra costs which they might incur in the early years of the agreement. This is particularly important given the "front-ended" nature of hydro-electric cost of service, as opposed to the buyers' thermal alternatives. The 25-year period, prior to which new pricing arrangements cannot be implemented, presumably reflects current estimates of approximately when full buyer recovery is expected to take place.

"However, while the principle of no change in the pricing arrangements prior to full recovery is complete acceptable" - they should recover all of their costs - "there is no need to presume in the agreement exactly when this recovery will take place, because you can't tell. Hydro versus thermal plant construction costs, coal costs, and labour costs can never be predicted with precision yet, they a major bearing on when recovery will take place. Recovery can be earlier or later than what is currently anticipated. Thus, rather than specify precise dates when new pricing arrangements can be considered and implemented, it would be more prudent to establish the basis upon which prices can change and then leave future events to determine when that might take place.

"Manitoba does recognize that costs above replacement power costs will be borne by the purchasing province in the early years of an agreement and that a substantial period of time may elapse before these are recovered. However, once this recovery is accomplished, the principle of sharing the benefits requires that purchasers and seller benefit equally without limit." Again reflecting our general principle that there should be a fair sharing of risk and benefit.

"In summary, the Province of Manitoba would fail to share equitably in benefits in the latter years of the agreement, in that the draft Interim Agreement has Manitoba Hydro sharing in the benefits on a 50-50 basis but commencing no earlier than the 25th year and limiting the total payment to us to 150 percent of the price determined on a cost of service basis. Benefits should be shared on a 50-50 basis beginning whenever they occur but without limiting the share of any party."

Then there are particular pieces that people can read in there with respect to specific mechanical implementation of, again, a request that I think is reasonable, that is, fair and equitable sharing of benefits once the other parties have recovered their full cost. Now the last point that we had raised at that time was reliability benefits. If you can recall, that's the fourth point that was raised by the management of Manitoba Hydro to the negotiating team.

"From the beginning of this project, one of the largely unquantified benefits of the Intertie is its ability to ultimately act as a true electrical "grid." This has advantages for utilities in all three provinces. For example, studies have indicated that the capacity reserve in the prairie region could be reduced as a result of the proposed Intertie and system reliability increased. Manitoba proposes that the Interim Agreement contain a clause which recognizes these benefits and obligates the parties to pursue and share these reliability benefits.

"Thus, we would propose that the Interim Agreement contain a clause which recognizes these benefits and obligates the parties to pursue and share these reliability benefits. The parties will recognize the benefits of improved system reliability in the prairie region resulting from the Intertie and through reduction and reserve capacity in the region. The sharing of these benefits will be defined in the final agreement.

"In summary, if the above limited modifications can be accommodated, then it is hoped that the Ministers

will be able to finalize the draft Interim Agreement at their meeting in Calgary on March 15th for submission to their respective Cabinet colleagues for approval.

"I look forward to seeing you then."

Now, what we then got was the Leader of the Opposition referring to the response letter from Mr. Moncur, the President of Saskatchewan Power Corporation, where they put forward Saskatchewan's position saying, well, although it may be that these positions are fair and reasonable, etc., they really in a sense had been encapsulated prior to October, 1981, by the previous negotiating team. All we said is that these are fair and reasonable things; that Manitoba should not have to subsidize the other provinces; and that there should be a fair and equitable sharing of risk and benefit. But the most important position that we had taken was that Manitoba should not be subsidizing the other provinces. The reason why we did that is that we believe very strongly in the Intertie, but it's important that the Intertie be developed on a solid foundation, so that you just don't go through your building stage and then move on to your long-term phase and find yourself with a whole set of misunderstandings or clauses that you wished you had corrected. Then you get the type of squabbling that has existed between Quebec and Newfoundland with respect to the Churchill Falls Syndrome, as we call it, where one party claims that the other party is getting some \$600 million. That has soured the relations between those two provinces and I think makes it very difficult for any type of Grid or Intertie developments to take place there in the future.

We believe that, since we have the potential for many more hydro-electric projects up north; since there is a possibility, and I would say a probability, that there would be further Intertie developments, either to the east of us in the future or to the south of us, it is important that we establish a good foundation to start off from that is fair and equitable to all parties; and that we can build from that existing and proven, fair and equitable Intertie example into others.

We have talked about the long-term possibility of connecting in, probably through displacement, through to California where I think the price differential is high. We have the people laughing, but I have the California people extremely interested. They were extremely interested and they found that the Premier's statements in this respect were a cause for them to show very concentrated interest. We hope to be pursuing that. We admit that we won't have that pulling together instantly, but I see finally - and I can see that I see a smile on the face of the Member for Sturgeon Creek - but we will try that over the long run. We've only been in for seven months.

Not only are we pursuing these possibilities, we were looking at the California possibilities or a tie-in with the western area provinces, a power agreement, or a tie-in with Wisconsin, and we are working on a study there. Tomorrow I will be meeting with the Lieutenant-Governor of Wisconsin, Mr. Olson. We'll be meeting, discussing this tomorrow. I'll be going up through Northern Manitoba taking a tour of the Hydro facilities with him on Thursday. I believe that this is an important possibility. These are things that we are pursuing. I find that he's giggling when the Lieutenant-Governor from Wisconsin is coming here.

Now, we are prepared to look at all these particular options. —(Interjection)— No, Olson isn't the Governor. —(Interjection)— No, not of Wisconsin. There's an Olson who is the Governor of North Dakota, but the fellow from Wisconsin is the Lieutenant-Governor and his name is Olson as well.

So, then we have said that we were indeed prepared to pursue these. What we then said is that the letter came forward from Mr. Moncur and Mr. Eliesen, copies to the Alberta people. There was a crossover of letters at that time. One was dated April 6th, but it was handed to our people. Ours was sent out on April 2nd, 1982, and again I'll read through it quickly, but I think it's important to make sure that we have the balanced truth in this respect and the facts on the table:

So, this letter is dated April 2nd, "Dear Mr. Moncur:-

Further to our telephone discussion, the following material has been prepared regarding the next meeting of the Steering Committee of the Western Provinces Electric Intertie in Calgary on Wednesday, April 7th, 1982 at 10:00 a.m. at the Chateau Airport Hotel.

"The last meeting in Regina showed representatives of the three provinces willing to seek compromise positions on the several outstanding issues." So there was some feeling that we should attempt to achieve compromise and we were doing so in good faith. "Certainly Manitoba representatives came away with a feeling that a common ground was entirely possible. We continue to look forward to an early completion of the Interim Agreement to the satisfaction of all sides.

"The following are the remaining issues to be resolved on the Interim Agreement: Limestone costs: It would appear that the manner in which Limestone capital costs are specified is the most straightforward. Participants at the previous meeting generally indicated the three-part approach which would be based on the following elements: (1) The current most up-to-date estimate of the Limestone capital cost identified in the Interim Agreement; (2) the actual cost of the project would be the actual and reasonable capital costs incurred; and (3) there would be a process for reviewing and controlling the costs incurred under No. 2." Now, that was put forward. We are here to compromise on it, reasonable approach.

"Relating to the foregoing is the concept of a "force majeure" clause which the Ministers discussed at the last meeting." There was no force majeure clause in what they had put forward. "We suggest that such a clause be included in the agreement for the protection of all parties involved. Attached is a slightly modified version of the wording of such a clause, as was included Volume IV of the Western Electric Power Grid Study." But it wasn't included in the agreement.

"Limestone output: Manitoba continues to be concerned over the nature of the commitment to the amount of energy involved in this sale. As you are aware, we have indicated that Limestone Station cannot itself generate an average of 7,280 gigawatt hours over the life of the proposed agreement - both because of a reduction of the output at the upstream station at Long Spruce and a similar development reducing the output at Limestone when the next station, Conowapa, downstream is constructed.

"That is why we recommended the agreement include a provision for either reducing the amount of energy to the net increase in the actual power produc-

tion of the Nelson River attributable to the Limestone Generating Station," which comes out to 6,600 gigawatt hours and that's a substantial decrease of something in the order of 10 percent. So, after Conowapa is built, somehow the Manitoba electrical system would have had to supply an extra 10 percent of power to the Intertie without compensation. That's why we raised that point, "i.e. the 6,600 gigawatt hours or alternative ensuring that the additional generation capacity required is taken into account in the costs-of-service analysis."

Now, we put that forward and I'll table this. We said that, "Given the lengthy period of discussions and negotiation in this area, Manitoba is prepared to compromise and is willing to forego any adjustment due to the downstream development of Conowapa." We were prepared to. We raised it. We said it's important; that we were prepared to. "However, it is imperative that the sale amount then be described as the net increment to system energy due to the construction of Limestone. After accounting for lost head at the Long Spruce station, the actual generation increase will average 6,920 gigawatt hours. Accordingly, it is this amount which Manitoba feels should be identified as the actual energy production at Limestone Station.

"We appreciate the point raised by Alberta that the per unit cost of delivering energy to Alberta rises when the amount of energy in the sale falls because the transmission line is utilized at a correspondingly lower level. We hope this somewhat reduces that concern.

"Manitoba looks forward to the discussion at the meeting on this subject and hopefully to a compromise along the lines suggested above." We also then withdrew reliability benefits because we said that there wasn't sufficient consensus on that. We went on to benefit-sharing and we asked if we could have consideration for 50-50, again because we were interested in full, fair sharing of risk and benefit. We were negotiating and we were continuing on in, I think, a reasonable process. I think that we had the opportunity of coming forward with something there and I think I'll table these as well. I will table these.

Now, we believe that we had taken a reasonable, rational approach to these negotiations. We had legitimate concerns. These had been raised by Hydro management; they were technical concerns. We wanted to protect the taxpayer of Manitoba; we wanted to protect the Manitoba Hydro consumer. We were, however, cognizant that we were involved in a negotiating process; we were being flexible, but we did not feel that Manitoba should subsidize Alberta and Saskatchewan and that there should be this sharing of risk and benefit. We felt that is a fair basis for developing long-term agreements. No one was trying to gouge, fair basis, establish a solid foundation, move from there.

That's why, when the Leader of the Opposition brought in the Saskatchewan letter which pointed out these items and then the Leader of the Opposition ridiculed these items, said that somehow they were the fabrication of the socialists in the Government of Manitoba, he was just so - here we were, getting technical information from Hydro staff. One of the names he sees on it is Doug Duncan, an immediate reflex action to assassinate the person's character. That's

how we lose track of certain facts; that's how we lose track of what I would call a balanced perspective.

We felt that those points were legitimate concerns; we were prepared to pursue them, but pursue them with flexibility. We say that the Western Grid is a good concept. We believe it's good for Manitoba; we believe it's good for Alberta; we believe it's good for Saskatchewan. We think also that the notion of an Intertie between provinces with respect to a renewable form of energy would be a great breakthrough. We believe that's why we have that concentration on that. We concentrated on that more so than looking to the south, even though the south may in fact provide some greater price differentials because we think that this is where the breakthrough will take place. So when the Alberta Government says that there is a slowdown; that they are going to look at the Slave River Project, we still say that it is our intention to pursue Western Interties rigorously, vigorously, and fairly.

I think it's important to insure that we do develop these breakthroughs, and that we do establish the solid foundation, so that it lasts. We don't want a situation where, if there are cost overruns, it's Manitoba that pays, only Manitoba. We don't want a situation where, if there is reduced output in a system, we are the ones who lose. We don't want a system where there isn't a fair sharing of the benefits over the lifetime of that agreement. Again, we put those forward; we say, we can develop that approach without having to go to courts and squabbles in the future; we believe that this one - and we think, you know, we can't predict the timing of it - will establish a base for future developments. That is our intention. We can't predict the timing of it. We certainly aren't in a position to deal with the impact of, say, the Alsands Project being cancelled.

I might note that the Slave River Project is in the same geographic area as the Alsands Project, which was going to be a big employment creator in Alberta. Now, that is cancelled and there are a whole set of people there who are already living there; who were expecting to work on the Alsands Project. Maybe, from Alberta's perspective, it makes sense for them to be looking at the Slave River Project. But, at the same time, we do believe that the long-term future of a Western Intertie still makes sense. We intend to pursue it, as we said, we intend to pursue it in a fair way.

Now, I think we can do that without trying to jeopardize the negotiations, without attacking another province, or without attacking individuals. We haven't done any of that. That's the approach we certainly want to take with respect to the Western Power Grid; that's the approach we certainly want to take with respect to the Pulp and Paper Complex at The Pas. We have a lot of material regarding weaknesses of things that happened in the past. But it's not our intention to dwell on the past, but to rather try and establish a fair system and a good system whereby we can stabilize that plant over the future. That's the approach that we're taking. I think I would rather have something put together in a constructive way. I think we have worked with the management and the workers to pursue that. We know that there are a range of options that are very dependent upon market conditions, but we certainly

are pursuing that, knowing full well that there are a whole set of market conditions; knowing full well that so much of the forestry industry indeed is operating at idle capacity right now. So that's the approach we want to take on the pulp and paper complex.

Now, the other thing is the Alcan Project that has been referred to and been referred to a number of times. What I find interesting here, you know, - and I don't know if any of the members opposite have read the Alcan Manitoba update of June 1982. We received it today. We received it from a company that I think we have an ongoing relationship with, indeed, I must say that I am going to be viewing the smelters in Arvida and Grande Baie when the Session ends, some time in July, and I might point out that Mr. Morton argued that we should make sure that our timetables were such that he could accompany me on that. This is the President of Alcan Aluminum. I must say that I think that reflects the approach of a company that wants to keep an ongoing relationship, just as we do. I think it's a valid approach. I commend them for the approach that they have taken.

We in fact have been dealing with them in a candid way and in a thorough and disciplined way. You know, we have the President saying that they have postponed the decision and there's a question and answer part in the update. It's interesting that they put this forward. What I find interesting about their putting it forward is, obviously, they must have heard some of the wailing that's been coming from the people on the other side who are trying to undermine the ongoing relationship between the Manitoba Government and Alcan Aluminum. I point out that they say that the company came to the decision at this time. This is traced to the present recession. They said that Manitoba just didn't cancel the project because it is an attractive location. They also respond to a question, "A number of people are saying the postponement was really the result of the present government's election and policies?" That's the question. You know, who said that? Well, I think generally, it has been Conservative members who have said that and this is Alcan's answer.

It's in writing - June, 1982, Mr. Morton says, "That couldn't be further from the truth."

Now, when I raise that, we have people then saying, well, is that a lie on the part of Alcan? I don't think so. They're being straightforward. "Our decision was based only on economic considerations. I want to make that crystal clear. The government understands that. I think you have only to look at the world's present economic situation to understand that. Our Western World leaders are most concerned about the state of the global economy and their recent meeting in Versailles outlines some of the financial problems we are undergoing."

This is the other point that I find interesting. Is Manitoba really that much of a priority for Alcan when you are committed to expansion in Quebec and British Columbia? Morton: "It was well-known before we embarked on our studies in Manitoba that the modernization of rebuilding of our facilities in Quebec and the expansion of our B.C. operation were priorities for us. This was no secret."

So, what we have is Alcan saying one thing and the Conservative Party saying exactly the opposite thing

with again. I guess, the innuendos against us. I certainly hope that they are casting no innuendos against Alcan because we are not making these statements; it is Alcan who is making these statements. Why did you take the decision not to exercise your options on the land in the Rockwood area, is the question raised here? And the answer is, "Our timeframe for reassessment in the final decision on Manitoba was too far down the road to exercise the options. You can't expect landowners, mostly farmers, to suspend major decisions in capital expenditures related to their farming activity for a long period of time. That wouldn't be fair," says Alcan.

So that is the position that they take and we have their word on it. We are still working together; we are still continuing the joint review; we will be taking a look at their smelters. We will in fact be trying to develop an understanding so that, if and when - and when is when, not if - economic conditions improve, we can be in a position to move quickly. You know, on that basis, they have said that they are interested in that site still. It's a valid position for them to take. —(Interjection)— no, it's not a matter of starting all over again. I think it's important that the Member for Sturgeon Creek understand that Alcan has been in New York and Mr. Culver has just been talking to the Financial Analyst there and he had made it clear that it was important for them to cut their sales and to trim their sales in the light of the extreme current recession. That is indeed what they are doing.

When we have Alcan making those types of statements but the Conservative Party not willing to look at these facts, but rather trying somehow to cast doubt upon all this; that is the approach that they take. If I say this is what Alcan says, I'm called a liar and that's why I was pleased actually to see this update come out. It's not my words; these are the words of Alcan. I find again, the character assassination whenever one refers to any of this. As I said, I think that political approach has to stop.

Now, when we come onto potash, we've dealt with IMC. Through the course of the last few months we've worked with them; we've shared costs that had been incurred in the past for drilling. Manitoba has paid its fair share of those. There have been meetings between my negotiating team and IMC; there has been constant communication. As I said before, I have been trying for a period of time now to arrange a meeting with senior officials of IMC. That has been confirmed for, I believe, it's July 9th. I am hopeful that we can sit down and talk about what the options might be for the future, especially in the light of the current, very severe situation in Saskatchewan, where you have five mines closed down; where you have well over 1,200 people laid off and where there is complete uncertainty as to what the future might hold with respect to those mines.

So that's the approach that we are taking there. Again, in all these instances we are pursuing what we consider to be legitimate concerns that have been developed by staff who have been involved in this, sometimes for some time, who have put forward these concerns in a legitimate matter. Some of these people are people who were part of the previous administration group of advisers. We have asked them for their comments. They have provided us with comments

that do entail concerns and it's not my intention to bring those concerns here and to table them, because it would be rather my intention to sit down with these other parties and say, these are our concerns; what are your concerns? Is there any way in which we can be flexible enough to accommodate each other's concerns and satisfactory arrangements that will have long-term benefits? We hope to do this.

This is the approach that we have been taking. This is the approach that, given the uncertainties of the economic times, is a slow moving approach. Often people are far more caught up - and I'm not talking about future developments over the last while - but rather these people have been far more caught up with mine layoffs, plant layoffs, smelter layoffs, potash plant layoffs. That's what's been occupying so much of the decision-making time of many of the people in the industry that we've been dealing with. They have to talk to their financiers; they have to talk about restructuring their debt; they have to talk about their future credit ratings, and that's why that process does indeed take some time.

As I said, these will be difficult tasks in these tremendously severe economic times but, as I said, we will pursue them. We are pursuing them seriously and rigorously, but we acknowledge and I think it's important for all of us in this Legislature and for the public of Manitoba to acknowledge that we have an economic reality out there; that we can't put all of our eggs into a mega basket; that if we look around at the world, none of the mega projects are taking place. Why? You have world-wide recession; you have low demand; and you have tremendously increased interest rates.

So that means that none of the mega projects are going. That doesn't mean that they're not good; that doesn't mean that people shouldn't pursue them and sort out the fairest possible deal, and that indeed is what we are doing. But we have to always come back to what Manitoba is. Manitoba is an economy that is characterized by small and medium-size businesses. It is important that we do not turn our back on that group; it is important that we work fully to ensure the fullest development of all aspects of our economy.

That's why, when we talk about an Interest Rate Relief Program relating to business groups or to farmers; or when we talk about a Beef Stabilization Program, we are talking about groups that, if you start adding them all up, they themselves constitute industries which indeed are mega projects. We should look very closely at our indigenous mega projects. One of the areas where we do have some development taking place now, and I say that this has been an improvement over past years, is the whole area of, say, Flyer buses. You know, people might talk about mega projects, but Flyer buses employs 570 people, so it's important that we not turn our backs on that type of industry. It's important that we realize it is that industry that is indigenous, that is here, that we have to relate to, but that we do see that is the economic base we should build from, that we will relate to the mega projects, that we will harness them in the best way. We want to be constructive on this side of the House; we do not want to attack individuals. We do not intend to leave — (Inaudible) — What we want is to understand our economy; we want to understand its reality and we want to improve our lot within it. We do have a four-

year mandate. We are working in those difficult economic times. We intend to pursue that mandate, to build and improve our economic lot, and we certainly will be prepared in three-and-a-half or four years to go before the people and be judged on what we are doing.

MR. SPEAKER: Order please. Are you ready for the question? Order please.

MATTER OF GRIEVANCE

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Yes, Mr. Speaker, I have not spoken on a grievance this Session. I won't be more than a few minutes, Mr. Speaker, at the most. I don't request the privilege of being designated or anything of that nature.

Mr. Speaker, I just want to say that the Minister has given us a very detailed outline of some of the negotiations that went on over the last three or four years. Mr. Speaker, the negotiations that he speaks about were made very plain in the letter that was tabled by my Leader today. As a matter of fact, the items that he read from, Mr. Speaker, were about February 8th and the letter that we were speaking of is about April 6th. Mr. Speaker, really the situation that is involved is that the Minister was basically saying he couldn't handle the negotiations.

Very very simply it came back that the letter from Saskatchewan said that all of these things had been discussed before, all of these items had been in negotiation before, had been thoroughly put before the three Ministers, had been probably put before the three governments, and the Minister doesn't acknowledge the fact that the Chairman of Hydro of Saskatchewan wrote back and said, we have been through all of this before. We've been through all of this before and we cannot accept it.

Mr. Speaker, the Minister reminds me and he is akin to what really goes on in a western bar; he goes running through the swinging doors with his ideas; he gets thrown out on his butt; he packs up his bags and goes back in again and he gets thrown out again. Mr. Speaker, the Minister has gone into these negotiations fully aware of the negotiations that went on previously, fully aware of the fact that the other governments had discussed them, but he was going to change the whole situation, and he was going to make the negotiations be exactly what he wanted.

Now, Mr. Speaker, the Minister went into the negotiations on the basis that he was going to change them and he talks about the election campaign. I don't intend to talk about that except I know during the election campaign their party said they wouldn't buy any of these negotiations, and they didn't. They didn't buy Alcan. You know, he talks about Alcan; he reads from an article involved with Alcan, he reads very clearly from it, and he also says, you know, this is the economic situation, and Alcan is presenting an economic situation.

Really, I like to sort of read between the lines, and I can tell you this, Mr. Speaker, that Alcan had negotiated for three-and-a-half years. They then started to

deal with a government that was not favourable to what their plans were for Manitoba. They dealt with a government that was not agreeing they should locate where they wanted to locate. They dealt with a government that said, we cannot tolerate, or will not think about a minority interest in a power plant, and I say to you this, Mr. Speaker, if you, or any of you, if the Minister was in Alcan's position, what would he have done? He would have said, now, it's all very fine for the gentleman on the other side to stand up and say that the negotiations are still going on. Mr. Speaker, I said in this House awhile ago, when we first started to deal with Alcan within my department, they said the window was open for Manitoba and they would investigate it now.

The window is now closed for Manitoba. They are going to expand - Mr. Speaker, I wish Andy would be quiet, or the Member for Springfield. —(Interjection)— Well maybe I will and maybe I won't. But the Minister goes on, and he says that the negotiations will be carried on in Manitoba. Alcan is going to expand their Arvida Refinery, and you know what they're going to do after that? They're going to look all over the country as to where they go after that, and if the negotiations had been properly handled by that government over there they wouldn't be looking, they would be coming to Manitoba. That's what they did. They blew it.

On the Power Grid, Mr. Speaker, there is absolutely no evidence that the Power Grid was put to rest because of economy. The Power Grid at the beginning of it was marginal. It was decided after long negotiations, after information from the Hydro and after the information of the utility operators in Alberta, with the information they gave their government, with the information that Sask Power gave their government, with the information which the Minister read out tonight, which was given to our government; all of this information was put together.

What was happening as far as the Western Intertie was concerned? Basically that there were three people who were interested in the development of Western Canada. Three Ministers and governments that knew that if Western Canada had the Intertie it would be in a position to have oil, coal, all of the gas and all of the hydro it needed to attract all of the industry that could come to Western Canada. You had three Governments that were interested, without any Federal Government involvement working towards having Western Canada and the Prairie Provinces the most desirable place to have investment in the world. And now I say to you that this Minister, as far as I'm concerned, can go down in the history of Manitoba and this government as ruining, at least putting back the potential of Western Canada at least 20 years, and that is fact.

Mr. Speaker, I hear from that yapping little voice over there again and he knows very well that in Committee the Hydro people said it can't be done. He knows very well that in Committee the Hydro people said without the Inter-tie, without Alcan, it can't be done; he knows all of these things. What he doesn't really care about, as far as I'm concerned, and what this Government doesn't seem to care about is the fact that they have set the economy or helped to set the economy of Western Canada back at least 20 years.

Well, Mr. Speaker, I would like one of them to stand up over there and tell me in their five-year project what they have to replace \$3 billion worth of investment in Manitoba. We have proven in all our Estimates discussions that the potential was there. We have proven that we have put all of the facts before you that the negotiations had been going on for years, and all I know is that the Minister of Energy, basically, if you want to boil it down to that, was kicked out of the negotiations. That's really what happened. If he has to go back, he has to go back with hat in hand, because they had some negotiations that were going to make Western Canada the best place to invest in the whole of the world, and I say that sincerely, because tell me where anybody could have had hydro, could have had oil, could have had gas, and could have had coal; tell me where they could have had it? The three Ministers and the three Governments were working towards doing that and because, as my Leader has said, of an ideological situation where they went through an election saying, we knew better than anybody else, we were going to put the whole thing back in perspective, and really at the end of his speech he started to talk about the small business people of the Province of Manitoba and building on.

I say, Mr. Speaker, the small businessmen of Manitoba will build. They will build towards looking at Western Canada, but they needed sincerely to have those projects in the Province of Manitoba for them to build around and build on. There is nothing for them to build on at the present time. There isn't even the hydro projects that went on during the Schreyer regime. They're not there; they won't be there. So he talks about building on the small business. Where is the small business going to sell their product? Let's put it that way.

He also talks genuinely, sincerely, about selling power to United States, so that United States can build its industry, instead of building the industry in the Province of Manitoba. Instead of using our power resource to create jobs within this province, the Minister gets up and stands there and is proud of the fact that he's going to sell our power to the United States when it could be used to create jobs within this province, when it could be used to create a situation in Western Canada that could help us be the best economical bet in the world. This Minister, as far as I'm concerned, can go down in history as ruining that whole thing, and regardless of what he tables, he botched it, he got kicked out of negotiations, he basically can't go into negotiations with the others anymore without going hat-in-hand, and he had the ability, he had the opportunity I should say, to be able to negotiate and bring this thing to fruition. He didn't do it, Mr. Speaker, and it doesn't take long to say that this Government and that Minister blew it very sincerely.

MR. DEPUTY SPEAKER, Jerry T. Storie: Are you ready for the question? The question before us is the proposed motion that the Honourable Government House Leader that the 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 of Supplementary

Supply to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair.

**COMMITTEE OF THE WHOLE
BILL NO. 59 - SUPPLEMENTARY SUPPLY**

MR. CHAIRMAN, P. EYLER: Committee come to order. In accordance with Rule 64(9)(a.1) and 64(10), the first items before the Committee are formal votes requested on two resolutions dealt with after 10:00 p.m. last night.

The question before the House is:

RESOLVED THAT THERE BE GRANTED to Her Majesty a further sum not exceeding \$100,000 for Labour and Manpower, General Administration, for the fiscal year ending the 31st day of March, 1983.

QUESTION put, MOTION carried.

MR. CHAIRMAN: I'd like to make it clear that the members do not want a count out on this resolution.

Second Resolution - **RESOLVED THAT THERE BE GRANTED** to Her Majesty a further sum not exceeding \$910,400 for Community Services and Corrections, Rehabilitative Services, for the fiscal year ending 31st March, 1983.

MOTION presented and carried.

RES. NO. 12 - HEALTH

MR. CHAIRMAN: The next item for discussion is Health. Does the Minister wish to make some preliminary statements?

Resolution No. 12, **RESOLVED THAT THERE BE GRANTED** to Her Majesty a further sum not exceeding \$758,900 for Health, Community Health Services, Dental Services: for the fiscal year ending 31st March, 1983.

The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, this item was first looked at last night and deferred until today because some questions that I put to the Minister of Finance required reference to the Honourable Minister of Health and I'd like to explore them with him for a minute or two.

My main question to the Minister of Finance, of course, was what is the \$758,900 for? He explained in his answer that approximately \$400,000 of it, \$400,000-plus, is for age expansion in the Children's Dental Health Program. I don't believe that he confirmed that there was any geographic expansion and I would ask the Minister for a comment on that point. Certainly if it's to accommodate age expansion it's explainable and justifiable in those terms. But that left an amount in excess of some \$300,000 which the Minister of Finance said was going to resurrect the Dental Nurse Bursary Program at Wascana Collegiate and to fund some dental nurses in that bursary program.

I don't recall any indication from the Minister during discussion of his Estimates that he was headed back into a resumption of that arrangement with Wascana College, or a restoration of the Dental Nurse Bursary Program. However, it may have been noted during his

Estimates and it may have slipped my mind, but I don't recall any detailed examination of it. I was not aware that he'd had discussions either with his departmental personnel, or with the Manitoba Dental Association, which satisfactorily resolved the longstanding disagreement between government and the dental profession as to the utilization of the dental nurses.

So my questions to the Minister of Finance were targeted to those two areas, Mr. Chairman, and I'm happy that the Minister of Health is available to respond to them at this time.

MR. CHAIRMAN: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes, Mr. Chairman, the honourable member is absolutely right. During the Estimates I think I mentioned that we were exploring the possibility of having to see what direction we were going with the Manitoba Dental Association and I couldn't give too much information at that time. I said that I would, probably during the Supplementary Estimates, because I did announce during that time that there would be some money that we would request through Supplementary Estimates.

I might say that I don't have too much to report at this time except that the discussions are going on very well. There's been good co-operation and there hasn't been any decision as yet. At the request of the Dental Association, they asked if they could submit a plan, they did this. There has been quite a bit, or very good co-operation, I couldn't ask for any more. I visited some of their facilities also and they asked for more time and we're still going at it with an open mind.

Now the economic situation the way it is, there's no expansion geographically, the member's right on that also, it is just the question of age because we feel that this is number one because we want to complete the program, those that started. I think it would be a mistake if we started somewhere else and abandoned these people. We want to see them until they graduate and every year there'll be another year. So that is number one. That will be done this year.

The other thing, they asked for time, and I told them that the most difficult time was the situation of the dental nurses because in discussions with Saskatchewan it was felt that we had to make reservations fairly soon, so that is understood. The Dental Association has been apprised of this information, this decision, there's no objection there at all. The situation is that we will need dental nurses to continue the plan the way it is. If we decide to go with strictly dental nurses or maybe a kind of mixed program, we would need the dental nurses and then I'm assured that the dentists themselves feel that - I think many many more of them now feel the value of these people, so that is no indication at this time that we accept any plan or that we're going definitely to strictly dental nurses at all, and that is the understanding that we have with the Dental Association. So all I can report is that we're progressing. Because of the economic situation we are not going to do much more than that. We will do, as I say, the question of age, we did request - we're requesting through the Department of Education - to place nurses in Wascana and then we will continue. We'll have more time to continue and give the Dental Association a fair chance to really put forth their program -

that has been discussed with staff - and there is no decision at all and we're going at it with an open mind.

MR. L. SHERMAN: Mr. Chairman, the Minister says the dental profession is now much more accepting of the dental nurses than it was some five, six, seven years ago, or words to that effect. I hope I'm not quoting him out of context or misquoting him. That's the impression I got from his remarks. Is the Minister saying that the Dental Association is considering changing their own bylaws in their profession, which has prohibited certain procedural performances and activities by dental nurses?

HON. L. DESJARDINS: I want to make it clear, I'm not suggesting that they're in favour, they're changing their mind, that they are favouring a program like we had where we went to dental nurses, that's not what I'm saying. I'm saying that the Dental Association see the value of the dental nurses and they realize that we can't keep on while we're in discussion with them and doing nothing, and take a chance that we have no programs at all. They realize that if we go to the former plan or if we go to a mixed plan, we'll need them. But what I meant by that is, if they themselves see the value of them - and many like to work with dental nurses - now it is true, I'm aware of what their bylaw says, officially the Association doesn't recognize the dental nurses but they are looking at that with an open mind. It's an open mind on both sides, I think that they're co-operating, it's not just the government side, and that is something. They've agreed that this is one of the first things that we would resolve. They realize and they've been informed that we want to apply for places to go ahead with the dental nurses. They see no problem with this at this time.

MR. L. SHERMAN: Mr. Chairman, I'd appreciate the opportunity for just half a minute to make it perfectly clear that I have no quarrel with the qualifications of the dental nurses and never have had. I think they're extremely highly qualified and in most areas in which they have served, if not indeed in all areas, the public whom they have served has offered ongoing testimony to the excellence of their qualifications.

As the Minister readily acknowledges, there has always been that professional stumbling block where the Manitoba Dental Association is concerned and where their bylaws are concerned. I refer, as he knows, specifically to the bylaws, which state that, "Unsupervised work in the mouth for certain dental procedures can only be performed by graduates of a recognized dental college," in other words, a college equivalent to the Manitoba Dental College with a graduate degree of Doctor of Dentistry.

So that stumbling block has always been there and it's prevented the close alliance and liaison of the two professions, the two disciplines, the dentist and the dental nurse in many respects, and it has prevented a widespread of utilization of the dental nurse up to his or her full capacity alongside professional dentists in delivery of the plan. I would hope the barrier can be breached and there can be a common meeting of minds on the value of the dental nurse. So I'll await further reports from the Minister on that objective, with interest.

I would like to ask him, Sir, with respect to the amount in this appropriation that we're voting, \$758,900, as I've said, it's my understanding that some \$300,000 or \$350,000 of that is designated for the Dental Nurse Bursary Program. Is he telling the Committee that a number of applicants for the Dental Nurses course have already had their applications processed and been accepted, and that spaces have been reserved for them at Wascana College, and that the money is already designated to be definitely spent for that purpose in 1982-83?

HON. L. DESJARDINS: No, this isn't the case. I should say that during the Estimate time, I thought that by this time I could announce the program that we were going with.

I think it's no secret when we were in office before the kind of program that we favoured. When there was a change of government I had discussion with the medical profession and I should say that we were leaning towards a mixed program, but not the way it is now, not two different programs, but try to marry them with different responsibilities, but having people work together. My ambition was to see the people work together instead of as adversaries and change every time there is a change of government.

Now the relationship established with the Dental Association was very good, much better than we had in the past. I'm talking about ourselves now, not the former government. They requested, well, could they have a say before we did anything, and I told them that they could - with an open mind. They came a long way and compromised and so did we. Now it is at the level that the staff is meeting. Of course, the factors will be standard - I'm not worried about standards either way, I think their standards have been good. Another thing, of course, will be the utilization and the cost, and this is what they're addressing themselves to.

Now I want to be quite clear, I'm not saying that officially I've been informed that all of sudden they feel that the dental nurses are wonderful. This is not the case, but it'll take awhile to finish the program of the government. Even then we would need some more when we go up by eight for one thing.

Secondly, if we go directly back to the former program, we definitely would need dental nurses; and if we have a mix, it would be dental nurses. Besides that it was felt that there are enough, even if we went 100 percent with the program with the Dental Association. What I'm saying is that they are satisfied that these people could be very well occupied.

One of the things I'd like to have resolved - and I've passed that information on to the Dental Association, they're very much aware of that - but I hope that we could recognize the dental nurses. We might get down together to see what their duties are. I would hope that we could do it that way, that it doesn't have to be imposed on government, but I think I wanted to make it quite clear that there is room for paramedics in this field of Health, if we're going to at least try to plateau somewhere with the cost. I think that this is what we're saying.

So the point I'm saying is, that they are aware of that, and it is not creating a difficulty, or it is not directing the program in one direction or the other at this time. This is one of the reasons why we did that at

this time. This is why we felt we must go ahead and then we'll go on with age and I could say that as of this moment, everybody is satisfied that we're co-operating. I hope it stays like that. Mind you, it won't always be that easy; decisions will have to be made by both sides. I hope that we can arrive with some kind of compromise that will be the best program for the people of Manitoba and the cost will be comparable to what the people of Manitoba can afford.

MR. DEPUTY CHAIRMAN, J. Storie: The Member for Fort Garry.

MR. L. SHERMAN: So half of this vote, Mr. Chairman, is essentially a contingency vote, is that correct? If you look at the Main Supply appropriation for Dental Services for 1982-83, it's \$4,577,000.00. The credit actual for 1981-82 was \$4,257,000, so the requested increase in Main Supply is only \$220,000 which is minimal, negligible in that program, Mr. Chairman, and I'm the first one to acknowledge that. That doesn't even allow for the necessary cost-price increase or keep pace with inflation. So the Minister quite legitimately has come back into the House and asked for an additional \$758,900.00. So far, so good. Approximately half of that is to go to pay for the age expansion in the program. That's fine; that's acceptable.

Now the other half of that is to go to restore the Dental Nurse Bursary Program, if needed, so can we leave it at this juncture, that \$350,000 approximately is really a contingency amount. The Minister is asking for it. The Committee certainly is not going to refuse it, and if he decides to send some dental nurses to Wascana College, that's what the money will be used for. If he decides not to, presumably it'll lapse. Is that correct?

HON. L. DESJARDINS: Not quite. I guess I haven't made myself clear. The decision to send these people has been made and this is what I say, but even if they go ahead, we feel that they will be needed and occupied either to work with some modified program, or a compromised program, or a mixed program, or even a program of the dental profession. I feel confident and they didn't seem to think that I was wrong. When we decided to give them more time instead of deciding on a program now, we said okay, we can wait. Because of the situation, we're not going to enlarge it that much, just on the age business, but we must decide now on the dental nurses because it takes a while to train them. Now the decision has been made; how successful will we be?

First of all, I don't think the Minister of Education has had a decision yet from Saskatchewan. Now we've been told, I think, that we have to take 30 at this time. That's going to cost money and I know that it's been increased, but the decision has been made. I don't think we need the approbation of the Manitoba Dental Association, but because of the close relationship and the co-operation that we have, they've been informed and they have no objection to that at all.

I am saying that we're successful in finding the people to meet this contract to be able to go ahead with Saskatchewan, that they can be used in any program, that's what I'm saying. They won't influence the program one way or another, but we could not wait to

give more time to the Dental Association and do nothing. We would have lost next year also; so that is the decision. I told them that I could give them more time providing we made a decision on that and that doesn't seem to worry them at all at this time.

MR. L. SHERMAN: Okay, Mr. Chairman. Well then I would ask the Minister, does this sum then provide for sending 30 dental nurses to Wascana College, has he received applications from 30 applicants and is Saskatchewan dictating that they'll only take them if they get as many as 30? Is he saying that Saskatchewan wouldn't take 10 or wouldn't take 15, it's got to be 30 or none at all?

HON. L. DESJARDINS: It's been a while now, but if my recollection is correct, that's exactly the case. Of course, we're still negotiating. We haven't signed anything with Saskatchewan but that is what I've been doing.

Now the amount - I don't really pay that much attention to the exact amount to be honest with you. We tried to see what we thought we would need this year and I must be very honest, this was before we had contacted Saskatchewan. There was a change of government and I think there's a new policy there, as this was something that we hadn't been informed of before. It might be all that money won't be spent; it's not more than an educated guess at this time. There has been changes to accommodate the Dental Association and to keep this good relationship going, especially in view of the fact that we weren't going to deliver more than that this year anyway. So therefore, it could be that we might be asking for too much money or even a little less, so I want to make that quite clear.

At this time, I couldn't say more. If once we know, first of all, if we have an agreement with Saskatchewan, we'll see what kind of an agreement, we'll see what the cost will be, then we will have to recruit. We haven't passed that yet. We've got to be ready for September but we waited so long to give the Dental Association more time, so this will have to be done very fast and if we do - I don't know - we might be able to recruit only 25 and we might have an agreement to send 25 or 20, but right now, from what I've been told as it stands now, we must have 30. I'm sorry, the information - I was phoned yesterday - I didn't realize that we would be in the House. I told the Minister of Finance where the information was and he left with it. So I'm sorry, I haven't anything in front of me, but the information that I'm giving I think is quite factual.

MR. DEPUTY CHAIRMAN: Are there any more questions?

BE IT RESOLVED that there be granted to Her Majesty a further sum not exceeding \$758,900 for Health, Community Health Services, for the fiscal year ending the 31st day of March, 1983—pass.

RES. NO. 18 - EMPLOYMENT CREATION

MR. DEPUTY CHAIRMAN: Continuing with the last item, Resolution 18, the Employment Creation Program.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I wonder if the Minister of Labour could just break down the \$10 million figure. As I understand it, \$4 million of this \$10 million is being added to the Career Related Employment Program. I wonder if - he's nodding in the affirmative, Mr. Chairman. I wonder if he could explain the allocation of the \$6 million that's left over.

MR. DEPUTY CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: Yes, Mr. Chairman. They have not as yet been allocated, this will be in addition. In the Main Estimates, there is some money - I believe it's \$1.2 million approximately for a Winter Employment Program - this will be in supplement to that. We expect to have some of it go for Youth Winter Employment and the balance to go just generally for Winter Employment Programs. The programs themselves have not been specifically approved as yet through the Department or into Treasury Board or Cabinet.

MR. G. MERCIER: Mr. Chairman, I wonder if the Minister could indicate when he anticipates he will be in a position to announce those programs and the time period that they will cover.

HON. V. SCHROEDER: I would expect that the announcements would be made some time before the middle of September. That would be the time lapse agreements we'd be looking at right now.

MR. G. MERCIER: Mr. Chairman, I wonder if the Minister could indicate the status of the Career Related Employment Program. How many applications have been approved? How many jobs have been approved to date?

HON. V. SCHROEDER: I don't have it up to date, but as of four days ago, there were approximately 2,195 applications approved, jobs approved. It is moving ahead quite well now. There was an additional mail-out by the department to employers who would not have qualified for the program before the changes were announced a week ago. Those mail-outs were made on Thursday and Friday.

MR. G. MERCIER: Mr. Chairman, the Minister has indicated there have been 2,100 jobs approved up to four days ago. In announcing this program, he changed the criteria so that the program is open to municipalities, nonprofit groups and the private sector and has now changed the private sector criteria so that it's open to employers with 50 or fewer employees. I wonder if he has any figures on the allocation of those 2,100 jobs in those three different sectors; municipalities, nonprofit organizations and the private sector.

HON. V. SCHROEDER: I don't have an allocation as between municipalities and nonprofit, but as between municipalities and nonprofits are taking up about just better than one-third of the jobs, the private sector is taking up a little better than 60 percent of the jobs.

MR. G. MERCIER: Mr. Chairman, as I understand it, the criteria of the Youth Employment Program will

provide jobs up until early fall. I wonder, in view of the fact that only 2,100 jobs have been created to date, does the Minister expect to spend the full allotment of monies towards this program which would be, I believe, \$2.4 million plus another \$4 million?

HON. V. SCHROEDER: I think that question I would be able to answer a little better a week from now or 10 days from now. We are expecting that there will be a significant number of applications approved within that period of time. Up until the end of last week, we were approving in the area of 100 a day. We added on some staff and expect that number will increase during this period of time.

MR. CHAIRMAN: The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, I'd like to ask the Minister of Labour whether the 1.5 percent payroll tax will apply to jobs created under these Employment Creation Programs?

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: Yes, Mr. Chairman, the tax will apply to all payrolls that are paid out after July 1, 1982. The first time for payment will be on October 15, 1982, and I would point out to those who are howling in the background that last year the payment was \$1.50 an hour; this year it's \$2 an hour. Even if you're calculating the 1.5 percent on \$4 an hour, that's 6 cents an hour that comes back.

MR. L. SHERMAN: Mr. Chairman, has the Minister had the opportunity to evaluate the impact that additional tax imposition may have on the take-up of the program? Has he experienced any evidence that it's a disincentive to employers to take up the opportunity under the program or to take up opportunities under the Career Related Job Creation Program?

HON. V. SCHROEDER: No, Mr. Chairman. I have no evidence that employers aren't taking this up. Because if they didn't take it up, wanted to create employment, they would nevertheless be required to pay the Health and Post-Secondary Education Tax. If they take this program up, they get \$2 an hour for those people.

MR. L. SHERMAN: Mr. Chairman, it's my understanding that in examination of the whole Work Activity Project sphere of government programming that obviously the request by the Minister of Community Services for additional Supplementary spending on Work Activity Projects, as with any other request, had to be worked through Cabinet. That's a request that we considered last night and, in fact, voted on tonight. As the record will show, the Opposition was not in favour of advancing that additional spending opportunity to the Minister in that project area for reasons cited, reasons on the record and reasons which I won't repeat now. But, Mr. Chairman, Cabinet obviously did approve that additional funding for Work Activity Projects up to the amount of \$910,360 for the current fiscal year, that being the amount which is in the Supplementary Estimates that we're considering. But it's also my understanding, Sir, that Cabinet rejected

administration proposals for employment creation.

I wonder if the Minister of Labour could elaborate on that subject to the Committee and enlighten me as to what was proposed by the administration of the Employment Services Division and the Community Services Department in the way of employment creation activities or initiatives for which a request for Supplementary spending was rejected by Cabinet.

Mr. Chairman, I think the Minister's attention was occupied by another matter at the time that I asked my question, so perhaps I could rephrase it. Committee has been asked to vote \$910,360 in Supplementary spending for the Department of Community Services to expand activities in the Work Activity Project field, and I noted for the record that the Opposition voted against that proposal because we're not in favour of it in the light of circumstances that have been debated and which I'm not going to repeat. But it's my understanding, Sir, at the same time as the Department of Community Services and the Employment Services Division of that department went forward to Cabinet and asked for approval to come into the House in the Supplementary spending request and seek that additional \$910,000 for which obviously they got Cabinet approval. The Employment Services Division of Community Services asked Cabinet at the same time for approval for some Supplementary spending appropriations for employment creation, and that request was rejected by Cabinet. My question, Mr. Chairman, to the Minister of Labour is, can he enlighten the Committee as to what employment creation initiatives were proposed to him and his Cabinet colleagues by the Employment Services Division and rejected?

HON. V. SCHROEDER: Mr. Chairman, maybe I should answer it in another way. The amount that was approved was an amount that we approved, partially on the basis that there was an indication that it could be used in the Work Activity Projects, and that we were also getting 50 cents on the dollar from the Federal Government on that spending. We were then on the understanding between ourselves that there would be additional funding for job creation. Therefore, any additional job creation would be taken out of that \$10 million, so that there would not be a logical necessity for a further sum to be put into a specific department. The balance of the \$10 million which is unallocated at this time, the \$6 million, is being looked at in terms of a number of options that are available, including any options which may come forward from that particular department.

MR. L. SHERMAN: Mr. Chairman, is the Minister saying that any employment creation initiatives launched under the aegis of Work Activity Projects and connected to Work Activity Projects would not have been financible on the basis of 50-cent dollars? Is that what he's saying? I am asking for information. If you attach an employment creation initiative to the Work Activity Projects which come under the Community Services Division and which qualify for 50-cent dollars, would they not qualify for 50-cent dollars the same as Work Activity Projects do?

HON. V. SCHROEDER: I think I'll answer that again in

a different way. I do not believe that we turned down any proposals for spending that would have been 50-cent dollars. If there were proposals for spending from a department with respect to job creation measures that were based on 50-cent dollars, I believe all of those have been approved. The ones that were not approved, and of course every department brought something forward practically, were not involved with 50-cent dollars.

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

MR. G. MERCIER: Mr. Chairman, in the last fiscal year, the Minister signed a report to this effect, that some 5,000 jobs were created under our Private Sector Youth Employment Program. He subsequently stated in the House that he received the Auditor's Report later on, after signing the Department of Labour Report, and then observed in the Auditor's Report the Auditor's statement to the effect that he couldn't vouch that the program actually created that number of jobs because they may have been jobs that the private sector would have proceeded with in any event. I would calculate - the Minister can correct me if he thinks I'm wrong - that for some \$2.4 million, plus another \$4 million, there will be about 3,000 to 3,500 jobs created under his program. Could the Minister indicate how he intends to demonstrate to the Auditor that these jobs would not have been created were it not for his program?

HON. V. SCHROEDER: Mr. Chairman, I would refer the member to the Manitoba Private Sector Youth Employment Program, 1980 Program Assessment, which was done by the Research Branch of the Department of Labour and Manpower which did a survey during the fall of 1980. It was a random sample group of the participating employers to collect information. They state, "Some of the highlights of the survey analysis follow. One of them is, about 51 percent applied to the program to meet normal requirements of their operation." Now, the question the member raises is a very good one. How do I know that this year, notwithstanding the wrinkles put into the program, why is it that this year the Auditor might not say the same thing?

I think the answer to that is that this year, when the Auditor looks at the program, he will see that there were specific criteria; that is, it had to be a job that provided some training-related experience. I am sure the member has seen the application forms. How do I put this? Last year and this year, there are statements on the application forms having an employer state - it was in fairly small print - that they would not have had that job opening had it not been for the program. Now, you have that statement. Yet, on the other hand, I don't believe the employers were dishonest. I believe that there's advertising that says that you can get a summer student and people - in fact the assumption, as shown in the survey, was that it was to assist in getting normal employment requirements through. There's advertising of the program and governments want to make sure that as many employers take it up as possible and people are in a hurry. They don't sit there and read a lot of it. This year - what can I say? - I

can say that we have made the criteria such that an employer will be required to pay a little more attention to how he sets up the job. There is a requirement for some training-related experience for the student.

It may well be that at the end of the year the Auditor will come back and say, even that is not good enough. I believe that we have done something further than —(Interjection)— I missed that. Al and I were practising for the ball game earlier on. I think he's tired. Maybe we could get a pair for him. To the Member for St. Norbert, I think that's all I can say, that there is what I believe to be a significant difference and we'll have to see.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. D. ORCHARD: The Minister has just recently modified one of the criterion of his program, in that firms of employers of 50 can now qualify. Are the jobs which receive approval still career related or training related? Have there been any employer applications rejected because the jobs they were proposing to employ students in are not career related or training related?

HON. V. SCHROEDER: Yes.

MR. D. ORCHARD: How many applications would have been turned down involving how many jobs?

HON. V. SCHROEDER: There's only one that I can think of offhand that was brought to my attention; that was a case where a farmer wanted to hire a student for the purpose of strictly babysitting. There was correspondence back and forth. If there would have been any indication that the student who wanted indeed later on to go into farming —(Interjection)— not babysitting. If the student would have been given any opportunity to be involved in the farming operations, that job would have . . .

MR. D. ORCHARD: So then, Mr. Chairman, the Minister knows of one application that has been rejected because the job for which student employment was being offered was not career related. All the other 2,194 or 2,193 jobs created are certifiable, career related and training related, then I take it?

HON. V. SCHROEDER: I didn't say that all of the others were "certifiable." I think that's a very good word. There may well have been others rejected and there may be some that were approved that are not to a great degree career oriented.

MR. D. ORCHARD: Then the Minister is not concerned, since he's only had one application he's had to reject, that his program is limiting employment of any students in the province?

HON. V. SCHROEDER: Mr. Chairman, I should just say with respect to that one student, one of the problems that we've had as well was, because it was a suggested babysitting service, that service doesn't qualify and will not, even though we're passing some legislation this Session for minimum wage standards

or any other standards. We were not in a position where we were prepared to get into, even if we felt that it was career oriented, a position where we could take the time and trouble to get into the kind of contracts that the Federal Government has developed with respect to household workers.

MR. D. ORCHARD: So the Minister cannot assure us that no students are unemployed because of the restrictive criterion - not restrictive criterion, I'll be less obtuse with him - because of the criterion he's imposed, he's confident that no students are going without a job under his program because of the restriction of job training and career-related employment?

HON. V. SCHROEDER: Mr. Chairman, it may well be that we have more students working as a result of this program, because as I indicated in response to a previous question, there's more than half of the employers responding to the survey with respect to the 1980 program, which was identical to the 1981 program, indicated that they thought the purpose of the program was for regular seasonal hiring, regular hiring. That being the case, and if the criteria we have set up are such a st o discourage people from using this service for regular hiring, then it stands to reason that we may well be getting additional jobs that are very specifically geared toward those who would not otherwise have had job opportunities at all. I think, certainly, it's easy to say that under that program there were 5,000 jobs and under this program there may not be 5,000 jobs, whatever the numbers are, but I don't think that ends the matter because of that very perception of that former program. The perception was by a majority of employers that it was there for regular employment.

MR. D. ORCHARD: Then I take it the Minister can assure us that, I believe, 51 percent of the 81 applications which were regular jobs - if I can use his terms - are those students still being hired by those employers who now are not applying through his program? Are those jobs still available to those students, those 51 percent of the employers?

HON. V. SCHROEDER: There are certainly no restrictions against the employers who answered in that fashion. In fact, I don't believe that we have any indication as to which those 51 percent are. What we're looking at is the applications as they are coming in and determining whether we have career-oriented jobs.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, in view of the state of the economy which appears to everyone to be getting worse, has the Minister's department done any research, as I believe they used to have, which would give them some overview on the expected state of unemployment in this province over the next months and particularly fall and winter months?

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: I'm sorry, I missed the last

part of that question, the last few sentences.

MR. G. MERCIER: I was asking the Minister if his department - I believe they have in the past done research based on current economic indicators which appear to be getting worse and worse. Has his department done any review of that and does he have any information on the expected state of unemployment in this province over coming months, particularly the fall and winter?

HON. V. SCHROEDER: Mr. Chairman, all we have is the indications and various forecasts that have been coming for th nationally and internationally and they've been such as to not put us in a position to rely too heavily on them, quite frankly. Just for example, a year ago the previous government was being told that the turnaround was coming this spring. We were told last December that it might be this spring, might be just a little bit later.

There was some material tabled just this afternoon by the Premier; some of that material is rather interesting. Over the last couple of years, Chase Econometrics has been giving Alcan predictions as to where the market is going to go and although the market is going down like that during that two-year period, that Chase predictions kept going down a little ways, then way up like check marks and yet the real situation was that things kept going down. The point is that I'm not too sure how valid any of those forecasts are right now. As the member knows, we're facing a new federal Budget in a few days which might have some impact on employment in the province and in the country.

As well, the Department of Finance has various forecasts. The federal-provincial relations group gets the various predictions that come out from the various forecasting organizations, the Conference Board in Canada, etc.

MR. G. MERCIER: Mr. Chairman, has the Minister received notice of any pending layoffs recently?

HON. V. SCHROEDER: Yes, Mr. Chairman, there have been numerous notices of important layoffs, unfortunately. I don't have them with me, but certainly the notices one sees in the newspaper, generally one gets a notice of that in the Department of Labour office before they're made public.

MR. G. MERCIER: Mr. Chairman, can the Minister indicate the number of persons who have been laid off or lost their jobs since last November 30th?

HON. V. SCHROEDER: No.

MR. G. MERCIER: Mr. Chairman, I wonder what statistics does the Minister have available to him in that regard since last November 30th.

HON. V. SCHROEDER: Mr. Chairman, the statistics are there for all to see. There are no secret hidden statistics that the department has. We issue monthly reports - and I'm sure that he gets them. We put him or one of the members on his side on the mailing list for some of our national research material and there are no other numbers.

MR. CHAIRMAN: The Member for Fort Garry.

MR. L. SHERMAN: Mr. Chairman, can the Minister confirm or advise the Committee whether all of the employment creation initiatives which come under this total umbrella of Employment Creation are temporary employment creation initiatives and can he provide the Committee with an average life span of that employment? Are we looking here at an average of 12 weeks employment, 16, 20 weeks or what would the median be?

HON. V. SCHROEDER: First of all, on the Summer Employment I would expect the average would be closer to nine weeks or so, although you can go longer, but that's the experience. On the Winter Employment we don't have any finalization yet on what the program will be. I would say though that it's not envisioned to be permanent employment. It is envisioned to be short-term employment over what may well be a very difficult winter.

MR. CHAIRMAN: If there are no further questions,
BE IT RESOLVED that there be granted to Her Majesty a further sum not exceeding \$10 million for the Employment Creation Program for the fiscal year ending the 31st day of March, 1983—pass.

RES. NO. 2 - GENERAL SALARY INCREASES

MR. CHAIRMAN: Continuing with the Supplementary Supply, No. 2, the estimated cost of general salary increases in the several departments of government, \$9,000,000.00.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I asked the Attorney-General a question last Friday and putting his response politely, I think he thought the question was premature. It would appear now, Mr. Chairman, that there is to be a settlement of the wage negotiations between the City of Winnipeg Police and the City. I don't recall the exact year, but I believe in around 1975/76, in that area, the former NDP Government amended The Labour Relations Act to give the police the right to strike.

Does the Minister of Labour - the year doesn't matter, it's in the Statute - intend to introduce legislation at this Session of the Legislature to withdraw the right of the police to strike in Manitoba or in the City of Winnipeg and introduce legislation which would involve binding arbitration?

MR. CHAIRMAN: The Honourable Attorney-General.

HON. R. PENNER: Yes, just two points, Mr. Chairman. The first statement is much more in sorrow than in anger. I'd like to say this to the Member for St. Norbert. On Thursday last, acting what I thought to be in a responsible way and as I imagined things should take place in this House, I approached the Member for St. Norbert and I said, I want to speak to you in confidence. There's this situation with respect to the police strike. I've had communications which indicate there's a basis for settlement that would involve a request that would come in from both parties for such legislation

and I think you should know about it, so that if in fact that's what happens and legislation is introduced, you should know about it. I said, I'm taking you into my confidence on that.

The following day, he rose in question period and breached that confidence. I don't think that should happen and I'm sorry that it did and having learned that lesson, I will not . . .

MR. CHAIRMAN: Order please. The Honourable Member for St. Norbert on a point of order.

MR. G. MERCIER: Mr. Chairman, the Attorney-General is quite correct in his statement to the House, that he spoke to me on Thursday. When I asked the question of him on Friday, I indicated clearly in the preamble to the question that based on the news reports which were on the radio, which were in the newspaper, asked him the question about his intentions for the House.

HON. R. PENNER: I've made the point I had to make. It was clearly based on the communication from myself to the member and the way in which — (Interjection)—no, the thing is, the way in which . . .

MR. CHAIRMAN: Order please. I would just ask whether this debate is relevant to the item before us. Perhaps that would be the best way to proceed.

HON. R. PENNER: Okay. To proceed with the specific question then, having made the point I wanted to make . . .

MR. CHAIRMAN: The Honourable Member for Turtle Mountain on a point of order.

MR. B. RANSOM: Yes, Mr. Chairman, it's been the practice in the House that when a member says that something is so, then that is accepted by the House; and the member has said that his question was based upon news reports. The Government House Leader then proceeds to say that he has demonstrated to his satisfaction that it was not based upon those reports. I think he should withdraw those remarks, Mr. Chairman.

MR. CHAIRMAN: The Honourable the Attorney-General on the same point of order.

HON. R. PENNER: Yes, on the same point of order. The Member for St. Norbert has not denied that I spoke to him the day before and said I want to tell you something in confidence. He has not denied that.

MR. CHAIRMAN: The Honourable Member for St. Norbert on the same point of order.

MR. G. MERCIER: On the same point, Mr. Chairman. I indicated quite clearly and I thank the Minister for taking me into his confidence and I would respect that confidence, but when a matter subsequently becomes a matter of public record through the media in the city, surely then the Attorney-General wouldn't expect me to retain that confidence forever when it becomes a matter of public record. Surely I can then stand up and ask the Minister of his intentions.

MR. CHAIRMAN: The item before us, I believe, is removed from the original question asked by the Honourable Member for St. Norbert and indeed from the reply. I would just ask that further questions be directed to the item before us.

The Honourable Attorney-General.

HON. R. PENNER: Replying to the question which was asked, I thought that the legislation in question had been introduced earlier, but as the Member for St. Norbert says, that is not the particular point. I want to make it clear, as I thought I had, to the Member for St. Norbert on Thursday last and as I'm sure I did in my reply to his question on Friday last, that we would not impose binding arbitration legislation on an unwilling group.

In the discussions that were held with the Mayor and Deputy Mayor first and then in sequence with the solicitor for the Police Association made it abundantly clear that only if there was explicit word-for-word agreement between the Association and the City of Winnipeg and it came as a joint request, would we then agree - I think that was a responsible step on our part - by no means I would suggest marks a departure from the positions taken by this party and by this government with respect to the collective bargaining process.

MR. G. MERCIER: Mr. Chairman, I believe my question contained the preamble, assuming agreement as there would appear that there is now going to be an agreement between the City of Winnipeg Police and the City, will the government be introducing that legislation at this Session of the Legislature? I appreciate there may be some time parameters because I believe Council is considering it tomorrow night and the City Police Department may take the rest of the week to complete their voting.

HON. R. PENNER: Yes, recognizing that there is a time problem, although not as acute as appeared at first, I have taken the precaution of having Chief Legislative Counsel draft amendments to The City of Winnipeg Act which, in fact, follow the Letter of Intent which is now in place as between the City and the Association, namely, that the provisions be similar to, if not the same as, the provisions of The Firemen's Arbitration Act. So what Legislative Counsel has done is prepare, as I say, a series of amendments to The City of Winnipeg Act in that form.

Subsequently, I sent a draft of that to the Mayor on a confidential basis and to counsel for the Association on a confidential basis and simply said this, that in order to save time if you want this legislation in this Session, then the two parties will have to get together and agree that this is what they want and that must come to us signed by the both parties. So that is in place.

I have asked Chief Legislative Counsel to place the title of the bill, amendments to The City of Winnipeg Act on the Order Paper and it will be up to the parties to see whether they meet the deadline. Having said that, since in effect, there will be an agreement which contains that provision between the parties - and that agreement is a two-year agreement - if it should happen that we can't meet an adjournment or proro-

gation deadline, then I don't think that either party will feel that there's a serious problem created by that. We'll try to meet the deadline so the parties feel assured, but if we don't, it will not be catastrophic.

MR. CHAIRMAN: The Honourable Member for Arthur.

MR. J. DOWNEY: Mr. Chairman, I have a couple of questions I'd like to ask the Minister of Agriculture specifically.

Firstly, Mr. Chairman, I would ask the Minister of Agriculture if he has any current updated figures on the numbers of beef producers that now have their applications in place and qualify for any form of Beef Stabilization Program that he has in place; as well, Mr. Chairman, the numbers of farmers that have received interest rate relief through the Department of Agriculture?

MR. CHAIRMAN: I'm not sure that question is in order. The resolution appears to me on the surface to be related to the salary increases in various government departments and referring to the number of applications that have been processed.

The Honourable Member for Turtle Mountain on a point of order.

POINT OF ORDER

MR. B. RANSOM: I believe, Sir, that you will find that the money in this vote is applied to the salaries of any and all civil servants within the department and to the extent that the funding of those civil servants bears upon the programming within the department. The questions are in order.

MR. CHAIRMAN: The Honourable Attorney-General on the same point of order.

HON. R. PENNER: I mean, that is really stretching it beyond belief. Relevance is a clearly understood concept and I hope it has somewhat the same meaning here as it does in the commonsense world that lies outside of the stone walls of this legislative palace. To say that because there are civil servants throughout the system who benefit from this increase and that opens every door for examination on this item is to distort relevance beyond any commonsense meaning. I would urge that you so rule.

MR. CHAIRMAN: The Honourable Member for Fort Garry on the same point of order.

MR. L. SHERMAN: Yes, Mr. Chairman, to the same point of order. I would just ask consideration of the Chair and the Committee for a statement that was made last night in an indication that was given at the time that we first began giving consideration to the Supplementary Supply at that point in time - and unfortunately again I'd have to rely on Hansard - but at that point in time, some member of the House made the observation that during the consideration of the Supplementary Supply, debate on the individual items would have to be restricted to those individual items. As a matter of fact, I think there was a debate between my House Leader and the Government House Leader.

At that point in time, the statement was made that when we come to General Salary Increases, that is an open area under which all considerations can be discussed.

MR. CHAIRMAN: On the same point of order, the Honourable Attorney-General.

HON. R. PENNER: On the same point of order, Mr. Chairperson, I hope my memory is better than the Member for Fort Garry's hearing. What I said, and said it twice, was that when we get to Main Supply in Ways and Means, then I understand from precedent and from the Rules and tradition, that is, and I use the term, a cover-the-waterfront debate.

MR. CHAIRMAN: Thank you. Thank you all members for their comments. I recall the incident last night and the ruling was made that during the Supply Debate, the question should be related directly to the item under consideration. There was some mention of the fact that it had been customary for a wide-ranging debate to be allowed. My answer had been that when the Minister's Salary was up for review, that had indeed been the case and I have subsequently found a number of Supply Debates and the Chairmen in those instances had ruled that debate should be directly relevant to the point being discussed.

I would ask that the Member for Arthur confine his remarks to debate, to the points that are relevant to the item being considered.

MR. J. DOWNEY: Mr. Chairman, I would wonder why the Minister of Agriculture would be somewhat reluctant to answer questions to deal with increasing of salaries or giving of salaries to people who work within his department. I would hope that would fall within the questioning, particularly at a time, Mr. Chairman, when we're seeing probably the most difficult time in the economy of rural Manitoba agriculture, that he is now supporting a general increase to the overall Civil Service at some 13 percent, of which funds are being voted for this \$9 million.

Mr. Chairman, I'm not against people receiving reward and increase in wages but I think, particularly in times when we're seeing record numbers of people going out of business, people in society today who are having to cut back and take less, that we are now being asked to vote an increase that is going to cause and create difficulties for those individuals who are paying the wages through the tax dollars. We've seen an increase in a payroll tax, an increase in the overall government expenditure, which is going to have to be paid for by those individuals in society who, goodness knows, are having a very difficult time with the amounts of layoffs that are taking place, with the amounts of bankruptcies in small business and the general pressure, I think, Mr. Chairman, that the funds that are being asked to be paid to the people who work for the government are a little bit higher than what the general public should be asked to pay. I would think if you were to take a more general feeling throughout, particularly those people who are seeing the economic disaster that is taking place throughout Manitoba, that the majority of the membership of the civil servants would not feel badly about having to take

somewhat of a less amount of money.

Mr. Chairman, I do feel very disappointed. I feel disappointed that the Minister of Agriculture has been reluctant to stand here and provide information when —(Interjection)— well, Mr. Chairman, there weren't any answers last night. The Minister of Agriculture sits there in his chair and what does he do? What does he do, Mr. Chairman? There are some 15,000 beef producers out there that he promised to help. At the same time, there are some 30,000 farmers out there that he would expect to help through an Interest Rate Relief Program, which program would have to be administered by monies that are voted here to pay, to the people that work for him, additional income. The \$9 million that we're being asked to vote here is going toward the payment of people who work for the Department of Agriculture and how, Mr. Chairman, particularly when the programs are ill-conceived and in fact there hasn't been any money cash flowed yet, how can we justify paying that money that is going to go immediately to the people that work for government?

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

POINT OF ORDER

HON. R. PENNER: I don't understand the Member for Arthur. You made a ruling on a point of order and, following your ruling, the Member for Arthur is, as it appears to me, deliberately - perhaps not deliberately - unintentionally, it doesn't matter, disobeying your ruling on that and is proceeding to do in a declamatory way what he could not do by questioning. But it amounts to the same thing; irrelevance applies one way or another.

MR. CHAIRMAN: I thank the Attorney-General for his comments and remark that I had noted some evidence of straying from the question, but I believe there was an attempt to stick to the point. I would ask the member to stick to the point.

MR. J. DOWNEY: I'm only illustrating a point, that the money we're voting now that's going to go to the people that work for government is going to flow automatically. The people that are going to pay for that particular increase are the people who, whether they're in small business, whether they're people who are labour people, whether they're people who are on farms or whatever, Mr. Chairman, have to pay for that cost. What I'm saying, and the question I've really been asking, and it's not a diversionary tactic - in fact, Mr. Chairman, it would appear as if this particular Legislature is becoming one where a person has difficulty in expressing themselves in any way without being challenged by the government. There's a very very sensitive group of people on that side of the government. They are very sensitive about the way in which they have been exposed and I do not intend to be muzzled by any particular Ministers or people of the government side.

The point I am making is that people are expecting to get an increase in wages, the civil servants of this province, and as I say I have nothing against people

getting an increase or more money. However, I think, during the kind of economic times that we have in this country and in this province that we have to be realistic. We are now asking the taxpayers to further take on the burden of increase in the wages to those people who work for government when, at the same time, the programs that were promised by the politicians and the Ministers of the government are not in fact being delivered, are not effective, Mr. Chairman, and are not being put forward.

So what I'm saying is, here we have a public who are paying increased costs in civil servants' wages, but at the same time, the public who are expecting to get the programs that are to help them aren't really coming about. They're totally restricted in their ability to flow programs that are supposed to give support.

I would hope, Mr. Chairman, with those remarks that the Minister of Finance or the Minister of Agriculture or any Minister of the Treasury Bench would, in fact, clearly state how they can justify the increase in the civil servants' wages at a time when everyone else is either losing their business or their home or suffering the consequences of the economic conditions.

I then, Mr. Chairman, would ask the question of members opposite, when in fact can I ask the Minister of Agriculture some specific questions? There apparently is room. The Government House Leader said there would be an opportunity for general questioning and I would ask for that opportunity so I could know and I do not plan to be muzzled as I have been in the past.

MR. CHAIRMAN: The Honourable Minister of Labour and Manpower.

HON. V. SCHROEDER: Yes, Mr. Chairman. I would suggest that the member could start tomorrow in question period if he wants to ask those questions. He made some comments with respect to the difficult economic situation we're in and he's right. We are in very difficult times. We also, in terms of an employer, had to look at where our employees were as compared to other employees in the country. I would hope that the member —(Interjection)— no, the Saskatchewan Civil Service, the Alberta Civil Service. I understand the Alberta Civil Service just recently settled or is in the process of settling at 30 percent on a two-year deal and they are considerably above where our Civil Service is at. The British Columbia Civil Service is just a way way out from us. Quebec Civil Service with its freeze is just a way above ours. So we have to look at where these people are as opposed to the rest of the country.

I would have loved to have heard the member stand up and say he thinks that in times like these, we shouldn't be giving more than \$9,500 or \$9,800, on the average, of an increase to the doctors because that can cost us somewhere in the vicinity of \$17 million in one year and that's a lot of money for those very same taxpayers who are hurting. I agree that they're hurting and I agree this is something that is a cost to taxpayers. It is a cost that they look at, I believe, on the basis of what is fair in terms of what civil servants make in other areas of the country. That surely has to be a criteria.

We have to look at what was happening last fall. Last

fall, the previous government settled the Autopac Agreement at 14 percent. That's something the employees knew about when we settled this one. That was no secret.

When we came to office, we had arbitration boards for teachers settling in the vicinity of 13, 14 percent, plus 1-½ COLA on the second year. That was out there. That's not something we could get away from; we couldn't pretend that it had not happened. So when we came forward with this particular agreement, we would have preferred to have come in with less. Certainly, we would have. We also believe that this settlement was a fair settlement. It was not an exorbitant settlement in view of the past seven years. It was not only the previous Conservative Government, but it was from 1975 on that the Civil Service wages in this province began to lose ground to inflation and to other indexes. So while no one likes to come up with more money, I believe that what we have done is provide for a fair contract. We have gone on to provide pay increases to senior management, not to all excluded people, because there are a number of excluded people for whom we've given . . .

POINT OF ORDER

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

MR. J. DOWNEY: Mr. Chairman, I'm having a very difficult time hearing the answer from the Honourable Minister of Finance with the cracking of peanut shells coming from the government benches. It's very difficult to hear and it's a total distraction, and I am taking what he's saying very seriously. I would hope that the government members would change their eating habits so that we could at least hear the answers to the questions.

MR. CHAIRMAN: I'm inclined to agree with the Member for Arthur that it is very distracting and I'm not sure that it is in line with the decorum of the House.

SUPPLEMENTARY SUPPLY CONT'D

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: Yes, I just wanted to make a couple of additional comments and that was, first of all, there have been two other areas where we have made pay increases. One is for excluded staff who are not in the MGEA, who are in positions similar to MGEA members. They are Ministers' secretaries, they are Deputies' secretaries and a number of other positions of that kind. Those people have received increases similar, that is, to the 10 percent plus \$600 that other people who are in the bargaining unit, did receive.

Senior management received an 8 percent increase and of course as I indicated the other day in terms of the Cabinet itself and the Leader of the Opposition, there are no increases other than the general MLA increases, so that our salary increases work out to somewhere in the area of under 7 percent.

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

MR. G. MERCIER: Mr. Chairman, I believe this Item provides for \$9 million. During discussion of the Minister's Estimates, he indicated that \$10 million equalled 3.5 percent of the total salary. This is a total of \$19 million which would appear to be somewhat under 7 percent of the total salary.

I wonder if the Minister could indicate whether he has satisfied himself as to whether the total of \$19 million is sufficient to cover the salary increase for '82/83 and if it is, how does he account for that difference when the salary increase apparently is approximately a 13 percent increase? Is there that high a rate of turnover in staff that accounts for a difference of over 6 percent?

HON. V. SCHROEDER: Mr. Chairman, I had gone over this a couple of weeks ago with some of the members. Yes, the total MGEA salaries were estimated at the beginning of the year to be in the vicinity of \$333 million. There is, based on history, something between a 7 and 10 percent turnover of staff in any given year and when there is the turnover, there's a period of time during which no payment is made because a position is vacant. Also, there's a period of time then during which, generally, there are lower salaries paid than there were at the time that the incumbent left. Accordingly, as I say, there's somewhere between a 7 and 10 percent falloff on that \$333 million.

In addition, we have already voted a \$10 million amount for General Salary Increases, so this brings it up to \$19 million. The 13 percent, we expect to cost us in the vicinity of \$42 million. So, if you add up the \$333 million, add on \$42 million, less 7 percent and add the \$10 million back on that we had already added on, then this \$9 million should be adequate to cover the expected total increase by year end.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, these are general questions. Last night, when we were dealing with Highways and Transportations in the Supplementary Supply, the Minister agreed that he would provide the next sitting with the staff numbers covered and the job descriptions of those additional staff. Does the Minister of Finance have those answers?

HON. V. SCHROEDER: I don't know what the member is talking about.

MR. D. ORCHARD: Well, that's not unusual but, Mr. Chairman, last night I posed some specific questions to the Minister of Finance's colleague, the Minister of Highways and Transportation, in regard to the number of staff and their job descriptions which will be hired as a result of voting in Supplementary Supply, \$268,900.00. He indicated he would provide that information at the next sitting. Since he is not here tonight, does the Minister of Finance have those answers?

HON. V. SCHROEDER: No.

MR. D. ORCHARD: Possibly the Minister of . . .

MR. CHAIRMAN: Order please. I had requested a few minutes earlier that the eating of food and the consuming of food was not maintaining the decorum of the House. I would quote Beauchesne, Citation 245, where it says: "While members are entitled to refresh themselves with glasses of water during the debates, the consumption of any food in the House is strictly forbidden." I would ask members to refrain from eating food.

The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Chairman. A question to the Minister of Finance. In Highways and Transportation, we have two Items, A and B, which total approximately \$1 million. I posed the question last night that since we are really only voting in Supplementary Supply \$208,900, because Item C is recoverable from other appropriations, is the \$800,000 recoverable presently as a part and parcel of the Supplementary Supply granted tonight in the various departments that we have voted Supplementary Supply on? Is the \$800,000 included in their request for additional funds?

HON. V. SCHROEDER: I don't know.

MR. D. ORCHARD: Well, Mr. Chairman, if the Minister of Finance doesn't know, then who in the government would possibly be able to answer that.

Mr. Chairman, the Minister of Finance says why didn't I ask the Minister of Highways. I asked him. I asked the Minister of Natural Resources. They didn't know. I suspected that probably the Minister of Finance might know how these Supplementary Estimates have been drafted and whether in fact an \$800,000 recovery, which is part of this Supplementary Supply, has been appropriated throughout the various user departments as a request for Supplementary Supply. Now surely somebody in this government must know what they're asking us to approve in Supplementary Supply tonight.

HON. V. SCHROEDER: Mr. Chairman, obviously, we've got some communication problem here. We're in Supplementary Supply (2). I don't know of anything in Supplementary Supply (2) dealing with highways.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: A point of order, Mr. Chairman. Last night when questions were raised on this subject, the Minister didn't have the answer. The indication was that he would get the answer. Now, if we are continually to encounter this type of situation where the Minister doesn't have the answer, says he will get it and then doesn't provide it, then, Mr. Chairman, that begins to make the review of Estimates very difficult.

In this case, the item deals with General Salary Increases. He asked the Minister of Finance. The Minister of Finance doesn't have the answer. Perhaps he would undertake to have it available when we deal with the bill because we are going to have a number of stages yet before the government has approval to spend this money.

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: Yes, Mr. Chairman, now that I look at the previous bill, the question makes a great deal of sense. The Member for Pembina had referred to indication that there was a recovery of \$800,000 from other appropriations and I will undertake to provide an answer to him with respect to that question.

MR. CHAIRMAN: If there are no further questions, BE IT RESOLVED that there be granted to Her Majesty a further sum not exceeding \$9 million for General Salary Increases for the fiscal year ending the 31st Day of March, 1983—pass.

There being no further business, Committee rise.

Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER, A. Anstett: The Honourable member for Flin Flon.

MR. J. STORIE: I move, seconded by the Honourable Member for Wolseley, that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I move, seconded by the Minister of Finance, that this House be now adjourned.

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