



**Second Session — Thirty-Second Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

31-32 Elizabeth II

*Published under the  
authority of  
The Honourable D. James Walding  
Speaker*



MG-8048

**VOL. XXXI No. 48A - 2:00 p.m., MONDAY, 18 APRIL, 1983.**

**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

**Members, Constituencies and Political Affiliation**

Name	Constituency	Party
<b>ADAM, Hon. A.R. (Pete)</b>	Ste. Rose	NDP
<b>ANSTETT, Andy</b>	Springfield	NDP
<b>ASHTON, Steve</b>	Thompson	NDP
<b>BANMAN, Robert (Bob)</b>	La Verendrye	PC
<b>BLAKE, David R. (Dave)</b>	Minnedosa	PC
<b>BROWN, Arnold</b>	Rhineland	PC
<b>BUCKLASCHUK, John M.</b>	Gimli	NDP
<b>CARROLL, Q.C., Henry N.</b>	Brandon West	IND
<b>CORRIN, Brian</b>	Ellice	NDP
<b>COWAN, Hon. Jay</b>	Churchill	NDP
<b>DESJARDINS, Hon. Laurent</b>	St. Boniface	NDP
<b>DODICK, Doreen</b>	Riel	NDP
<b>DOERN, Russell</b>	Elmwood	NDP
<b>DOLIN, Mary Beth</b>	Kildonan	NDP
<b>DOWNEY, James E.</b>	Arthur	PC
<b>DRIEDGER, Albert</b>	Emerson	PC
<b>ENNS, Harry</b>	Lakeside	PC
<b>EVANS, Hon. Leonard S.</b>	Brandon East	NDP
<b>EYLER, Phil</b>	River East	NDP
<b>FILMON, Gary</b>	Tuxedo	PC
<b>FOX, Peter</b>	Concordia	NDP
<b>GOURLAY, D.M. (Doug)</b>	Swan River	PC
<b>GRAHAM, Harry</b>	Virten	PC
<b>HAMMOND, Gerrie</b>	Kirkfield Park	PC
<b>HARAPIAK, Harry M.</b>	The Pas	NDP
<b>HARPER, Elijah</b>	Rupertsland	NDP
<b>HEMPHILL, Hon. Maureen</b>	Logan	NDP
<b>HYDE, Lloyd</b>	Portage la Prairie	PC
<b>JOHNSTON, J. Frank</b>	Sturgeon Creek	PC
<b>KOSTYRA, Hon. Eugene</b>	Seven Oaks	NDP
<b>KOVNATS, Abe</b>	Niakwa	PC
<b>LECUYER, Gérard</b>	Radisson	NDP
<b>LYON, Q.C., Hon. Sterling</b>	Charleswood	PC
<b>MACKLING, Q.C., Hon. Al</b>	St. James	NDP
<b>MALINOWSKI, Donald M.</b>	St. Johns	NDP
<b>MANNES, Clayton</b>	Morris	PC
<b>McKENZIE, J. Wally</b>	Roblin-Russell	PC
<b>MERCIER, Q.C., G.W.J. (Gerry)</b>	St. Norbert	PC
<b>NORDMAN, Rurik (Ric)</b>	Assiniboia	PC
<b>OLESON, Charlotte</b>	Gladstone	PC
<b>ORCHARD, Donald</b>	Pembina	PC
<b>PAWLEY, Q.C., Hon. Howard R.</b>	Selkirk	NDP
<b>PARASIUK, Hon. Wilson</b>	Transcona	NDP
<b>PENNER, Q.C., Hon. Roland</b>	Fort Rouge	NDP
<b>PHILLIPS, Myrna A.</b>	Wolseley	NDP
<b>PLOHMAN, John</b>	Dauphin	NDP
<b>RANSOM, A. Brian</b>	Turtle Mountain	PC
<b>SANTOS, Conrad</b>	Burrows	NDP
<b>SCHROEDER, Hon. Vic</b>	Rossmere	NDP
<b>SCOTT, Don</b>	Inkster	NDP
<b>SHERMAN, L.R. (Bud)</b>	Fort Garry	PC
<b>SMITH, Hon. Muriel</b>	Osborne	NDP
<b>STEEN, Warren</b>	River Heights	PC
<b>STORIE, Jerry T.</b>	Flin Flon	NDP
<b>URUSKI, Hon. Bill</b>	Interlake	NDP
<b>USKIW, Hon. Samuel</b>	Lac du Bonnet	NDP
<b>WALDING, Hon. D. James</b>	St. Vital	NDP

# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 18 April, 1983.

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, I beg leave to table the Report of the Petroleum Branch of the Department of Energy and Mines called the Oil Activity Review for 1982.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. M. SMITH:** Mr. Speaker, I beg leave to table the Annual Report of the Manitoba Horseracing Commission for the year ending December 31, 1982.

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. M.B. DOLIN:** Mr. Speaker, it's my great pleasure to table in this House the new publication of my department the long awaited Newcomers' Guide to Manitoba developed by the Immigration and Settlement Branch, to provide immigrants to our country, who are resident in Manitoba, with a comprehensive source of information on such topics as government services, safety in the home on the road or at work, Canadian customs and norms, and the democratic rights and responsibilities of residents of Manitoba.

**MR. SPEAKER:** Notices of Motion . . .

## INTRODUCTION OF BILLS

**HON. V. SCHROEDER** introduced Bill No. 26, An Act to amend the Financial Administration Act. (Recommended by Her Honour the Lieutenant-Governor)

**HON. B. URUSKI** introduced Bill No. 43, The Transportation of Dangerous Goods Act; Loi sur le transport des marchandises dangereuses. (Recommended by Her Honour the Lieutenant-Governor)

**MR. H. CARROLL** introduced Bill No. 56, An Act to amend The Brandon Charter.

**HON. J. BUCKLASCHUK** introduced Bill No. 57, An Act to amend The Co-operatives Act.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where we have 12 exchange students under the direction of Mr. Westley Stevens. These students are from outside of Canada and are visiting here on an exchange basis.

There are 45 students of Grade 9 standing from the Earl Grey School under the direction of Mr. Yarmie. The school is in the constituency of the Honourable Minister of Economic Development.

There are 33 students of the Garden Valley Collegiate at Winkler. They are from Grades 9 and 11 under the direction of Mr. Hamerling and Mr. Pauls.

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

## ORAL QUESTIONS

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, my question is to the First Minister. We have a number of very serious and important questions to place to the Minister of Agriculture concerning the plight of farmers with respect to farm financing and bankruptcies. Would the First Minister advise the House whether or not the Minister of Agriculture will be here later during question period to answer questions?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, it's my information that the Minister of Agriculture should be here at approximately 2:30.

## Bankrupt co-operatives - back wages

**MR. SPEAKER:** The Honourable Member for Virden.

**MR. H. GRAHAM:** Thank you very much, Mr. Speaker. My question is to the Honourable Minister of Co-operatives, and I would like to ask the Minister what action he has taken to ensure that directors of bankrupt co-operatives are not held personally responsible for the wages of employees of that co-operative.

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

**HON. J. BUCKLASCHUK:** Yes, this particular matter that was brought to my attention only last Tuesday or Wednesday by the Member for Virden is presently before the Labour Board and I don't think I'd like to deal with the specifics of it. But I perhaps should remind the Member for Virden that it was his government that brought about changes to the Act in 1980 that provided

for wages to be subordinate to other assets of a firm that had found itself in financial trouble.

**MR. H. GRAHAM:** Mr. Speaker, is it then the intention of the Minister to do nothing on this until the Labour Board has held its hearing on the 25th of April?

**HON. J. BUCKLASCHUK:** It is not my intention to interfere with the operations of the Labour Board.

**MR. H. GRAHAM:** Is it the intention then of the Minister to protect those people that serve their community well and freely in a voluntary capacity, is it his intention just to let them suffer undue hardship and possible financial hardship from the actions of the Labour Board, without any movement on his part to protect them?

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

**HON. J. BUCKLASCHUK:** Yes, until the Labour Board makes its decision, we don't know what the problems are that we have to deal with. I should also mention that the legislation, as it applies to co-ops, also applies to all other corporations in the province. Co-ops are not specifically designated as a target group.

I should also remind the Member for Virden that directors can obtain directors' liability insurance and apparently such was not done in the case of Birdtail Equipment Co-op. That's rather unfortunate, but that was their responsibility.

**MR. H. GRAHAM:** Thank you very much, Mr. Speaker. I want the record to note that I, at no time, ever mentioned any particular co-op. It was the Minister who mentioned the name of a co-op and I should note also that it was his government in 1975 that passed The Co-op Act.

My question to the Honourable Minister is that the bill that he just introduced, would that have any changes to The Co-operative Act affecting directors and their liabilities?

**HON. J. BUCKLASCHUK:** No, those changes will not impact on this particular situation.

### **Brandon General Hospital Patient Waiting List**

**MR. SPEAKER:** The Member for Fort Garry.

**MR. L. SHERMAN:** Mr. Speaker, my question is to the Honourable First Minister. I would ask him whether he can confirm that increasing numbers of patients in Brandon and western Manitoba are turning to private medical services, private medical treatment and private medical clinics, both inside and outside of Manitoba because they cannot receive attention at the overcrowded and overburdened Brandon General Hospital?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, if the member is referring to the Brandon situation, that is a situation

that is presently being reviewed by the Manitoba Health Services Commission because there appears to have been an anomaly which has occurred in the last two or three months, insofar as the numbers on the waiting list pertaining to surgery. The Manitoba Health Services Commission is investigating the Brandon situation at this time.

If the question is relating to the general overall provincial situation, I would want to take that question as notice for the Minister of Health.

**MR. L. SHERMAN:** Mr. Speaker, with respect to the Brandon and Westman situation specifically, can the First Minister confirm that increasing numbers of patients are turning to private medical services elsewhere? Reports indicate that they include facilities in Houston, Edmonton and Toronto, because they cannot get into the Brandon General.

**HON. H. PAWLEY:** Mr. Speaker, I would have to take that question as notice. As I mentioned earlier, there is a waiting list pertaining to the Brandon Hospital as a result of a recent cropping up of a sudden increase by way of the waiting list for surgeries at the Brandon Hospital. Mr. Speaker, there will be a report from the Manitoba Health Services Commission to the Minister as a result of investigation they're undertaking pertaining to this, what appears to be, a short-term anomaly.

**MR. SPEAKER:** The Honourable Member for Fort Garry.

**MR. L. SHERMAN:** Mr. Speaker, I would like to ask the Honourable First Minister whether he can confirm that, between 1978 and the present time, the surgical waiting list at Brandon General has risen as high as reports today indicate that it has risen, and that is from a total of 470 patients to a total of 1,070, which represents considerably more than a "topping up or cropping up of a short-term anomaly." Can the First Minister confirm that the waiting list for surgery has increased from 470 to 1,070?

**HON. H. PAWLEY:** I don't have the numerical data. I would have to take that as notice.

**MR. L. SHERMAN:** Mr. Speaker, would the Honourable First Minister advise me and advise Manitobans generally, as to what action should be taken at the present time with respect to admissions for surgery and treatment at Brandon General? The First Minister says that the Health Services Commission is preparing a report. In the meantime, what would he recommend that patients requiring surgery and attention and care in the Brandon area do? Should they be turning to these private medical services in other parts of the country?

**HON. H. PAWLEY:** Mr. Speaker, clearly this is a matter that can be more beneficially dealt with, insofar as the honourable member is concerned, once the Manitoba Health Services Commission has completed its investigation as to the anomaly that has occurred at the Brandon Hospital and when that report then is made to the Minister of Health.

**MR. L. SHERMAN:** Mr. Speaker, I think that there certainly is merit in that suggestion, except there seems to be a considerable immediate problem for a great number of people in the area. We will be dealing at length with the subject in the Estimates of the Department of Health, but for the moment, Mr. Speaker, I wonder if the First Minister can offer any assurance to this House and to people in the Brandon and Westman region that, notwithstanding the fact that the Health Services Commission is working on a report, emergency contingency measures are being studied by his government to ensure that the difficulty is addressed and that emergency cases can expect attention in Brandon General at the present time.

**HON. H. PAWLEY:** Mr. Speaker, I'm not aware of emergencies not being dealt with. I would take the balance of the question as notice.

### Bicycle Safety

**MR. SPEAKER:** The Honourable Member for Elmwood.

**MR. R. DOERN:** Mr. Speaker, I wanted to direct a question to the Minister of Highways. In view of an Information Services release from his department and himself indicating a 7.7 percent increase in accidents among bicycle riders to 292 last year, and a 12.8 percent increase in injuries; in view of the fact that he has a Bicycle Safety Education Program for elementary schools, I would like to ask him whether he has or would consider a program for adult riders.

**MR. SPEAKER:** The Honourable Minister of Highways.

**HON. S. USKIW:** Mr. Speaker, I'm not familiar with the issue that the member is raising but I'll certainly take notice of it and report back to him.

**MR. R. DOERN:** Mr. Speaker, I would ask the Minister then, whether he would consider implementing a program for bicycle safety for adult riders? There are apparently programs put on by his department for young students and also some programs for perhaps encouraging the use of seat belts and helmets. I ask him whether he would consider one for another large segment, and a growing segment of the population, those who ride bicycles.

**HON. S. USKIW:** Well, Mr. Speaker, one can always consider expansion of programs but one has to look at that in light of the finances that are available, and at this particular moment there aren't any.

**MR. R. DOERN:** Mr. Speaker, I'd also ask the Minister whether he would consider advising or encouraging the law enforcement authorities to implement the present law which requires all such riders at night to use lights on their bicycles. I think if one were to check, a very small microscopic percentage do. Would he, in fact, ask that the present law be enforced?

**HON. S. USKIW:** Well, I believe, Mr. Speaker, that last point really has to do with the Attorney-General's Department and the law enforcement system in the province.

**MR. R. DOERN:** I'd ask the Attorney-General, Mr. Speaker, in view of the fact that the present law is not enforced or rarely enforced, would he ask the Winnipeg police and others to enforce it.

**MR. SPEAKER:** The Honourable Attorney-General.

**HON. R. PENNER:** I'll take the question as notice.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister of Highways and Transportation. Could the Minister confirm that the statistics quoted by the MLA for Elmwood, that the Minister took as notice, were statistics that appeared in a recent press release by the Minister?

**HON. S. USKIW:** Well, that could very well be, Mr. Speaker, but I don't recall what is contained in all of the press releases that we issue from time to time.

### Unemployment rate

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, my question is to the Minister of Labour. In view of recent statements by officials at Canada Employment and Immigration Department, Mr. Speaker, could the Minister of Labour confirm that the unemployment rate for Manitoba for the rest of the 1980s is predicted to be well above 10 percent?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. M.B. DOLIN:** I believe that the Conference Board figures on predictions for unemployment rates in Manitoba were covered, I think, during my Estimate debate and I did indicate what those Conference Board figures are. Our Research Branch does publish what those Conference Board rates are and we have been consistently under those rates. That gives us some small measure of pleasure at our ability to keep the unemployment rate down in Manitoba.

The question that the member refers to about whether the Conference Board is predicting that our rate will be over 10 percent - yes, and this month we are below 10 percent. So much for predictions.

**MR. G. MERCIER:** Mr. Speaker, in the booklet that the Minister of Labour has sent around, which the Premier has endorsed, there is a statement on page 170 that there is never a government guarantee of jobs for everyone. My question to the First Minister, Mr. Speaker, is he now repudiating the promises, which he made in the fall of 1981, promising job security to Manitobans?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, if the member would re-examine the premise of his remarks, he would see that his question was based upon a false presumption.

## Workers Compensation Board - Report

**MR. G. MERCIER:** Mr. Speaker, we believe it was false too.

Mr. Speaker, my final question is to the Minister responsible for the Workers' Compensation Board. The Workers' Compensation Board Report should have been filed in the House by March 31st. Could the Minister indicate if and when he'll be filing it?

**MR. SPEAKER:** The Honourable Minister of Northern Affairs.

**HON. J. COWAN:** I'd anticipate that the report will be filed this week, probably mid-week.

## Westman Media Co-op - CRTC

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Yes, Mr. Speaker, I have a question to the Minister of Communications.

In view of the fact, Sir, that Westman Media Co-op is in the process of applying to the CRTC to deliver legal American television signals to their customers, in Western Manitoba, can the Minister offer some assurance to the Westman Media Co-op customers that the current fare of satellite US television programming will not be disrupted until they can deliver the so-called legal programming?

**MR. SPEAKER:** The Honourable Minister of Cultural Affairs.

**HON. E. KOSTYRA:** Thank you, Mr. Speaker. As I indicated to the member when he raised similar questions some weeks ago, the province will do whatever needs to be done to support and to allow the citizens of those communities in Western Manitoba to receive comparable service to those communities in Winnipeg.

I have just recently become aware, in fact earlier today, of the situation wherein Westman Media Co-op now is applying for the right to bring the television programming down from the Cancom 3 + 1 Service, so I would anticipate if that is concurred with then I would hope that CRTC would not take any further action, given that Westman Media Co-op has indicated that it's prepared to live within the decision of the CRTC.

**MR. D. ORCHARD:** I thank the Minister for that answer. Could the Minister offer this House, and the customers of Westman Media, the assurance that he will seek from the CRTC a removal of their order to not broadcast that current American television programming that they're using so that the customers may continue on uninterrupted service?

**HON. E. KOSTYRA:** Thank you, Mr. Speaker. What is being suggested by the member is something that may well be illegal, because there is an order that has been service with respect to certain legislation. What I will attempt to do is to suggest to the CRTC that they not enforce that ruling, given that Westman Media Co-op

has indicated that it is prepared to live by the decision that has been handed down by the CRTC.

## Mining industry study

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, my question is for the Minister of Energy and Mines. Approximately a year ago, perhaps a little less, when the mining industry in Northern Manitoba was suffering badly from layoffs, the Minister of Energy and Mines informed the House that there was a federal-provincial study into the cyclical nature of the mining industry being undertaken. The Minister said at that time he hoped to have a report available by September.

In view of the deep concern over the future of Lynn Lake, which has been topical during the past week or two, I wonder if the Minister of Energy and Mines could advise us as to any progress on that report or any action which might flow from it?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, a report was done by the federal-provincial body looking into this matter of the effects of the business cycle on mining communities.

At the last Mines Ministers' Meeting in St. John, New Brunswick, I again put forward the proposal that the Federal and Provincial Governments jointly develop a national community mining reserve board, or a fund to provide monies to communities that are suffering from the impact of this business cycle on the community, or that are faced with closure because the ore does run out of mines. This is not a new thing, it's occurred ever since the mining industry began, but no one has been dealing with this particular problem. I put that proposal forward; it's been considered; I have yet to receive full support from the Federal Government and from other Provincial Governments, Mr. Speaker.

They were, at that time, taking the approach that mining is an industry that is best left alone, that they were taking a laissez-faire approach and that the private sector should be dealing with this completely on its own. We believe, Mr. Speaker, that a more concerted effort is required to provide long-term stability, or at least transition assistance, to communities and people living in those communities.

I'm hoping now as the recession deepens and as more mining communities are affected across the country that Manitoba's position will gain more support from other provincial governments in Canada and indeed from the Federal Government.

## Mining Communities Reserve Fund

**MR. B. RANSOM:** Mr. Speaker, despite the seeming unwillingness of others to co-operate, I believe that Manitoba does have a Mining Communities Reserve Fund that has been established for some time. Could the Minister advise the House approximately how much money exists now within that Fund?

**HON. W. PARASIUK:** Mr. Speaker, something in the order of \$3.5 million to \$3.8 million exists in that Fund. Over the course of the last year and a half, some \$800,000 has been expended from that Fund to assist the people and the communities of Lynn Lake, Leaf Rapids and Thompson, Manitoba.

**MR. B. RANSOM:** A final supplementary, Mr. Speaker. Would the Minister consider employing that Fund then in dealing with the request from Sherritt Gordon in seeking out a future for Lynn Lake through the development of the Agassiz Gold Reserve.

**HON. W. PARASIUK:** Mr. Speaker, I have to recheck the legislation. I think the legislation establishing that Fund prohibits the use of money in that respect but, Mr. Speaker, the Manitoba Mineral Resources Corporation has in fact been allocated sufficient funds to enable the Manitoba Mineral Resources Corporation to enter into joint developments with Sherritt Gordon Mines, both with respect to Agassiz and other developments in and around the Lynn Lake area, which I think could go some way to trying to establish a longer-term base to the community of Lynn Lake.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker. I direct my question to the Minister of Mines, and would ask him if he could confirm that the mining operations at Tantalum Mining Corporation under current circumstances are not operating.

**HON. W. PARASIUK:** Mr. Speaker, that was announced publicly some time ago.

**MR. R. BANMAN:** I wonder if the Minister could inform the House whether or not the Government of Manitoba is contemplating purchasing a larger percentage of the shares of Tantalum Mining Corporation.

**HON. W. PARASIUK:** Mr. Speaker, not at this particular stage. I might point out that those people who did exercise their option instead of Manitoba, in fact, made millions of dollars from exercising an option that the Manitoba Government could have exercised at the same time - and didn't.

**MR. R. BANMAN:** Mr. Speaker, on Friday, the Minister of Mines indicated that he was making certain decisions with regard to the mining investment in this province from information and from recommendations he was receiving from Manitoba Mineral Resources. I wonder if the Minister could advise the members of the Legislature whether or not he is taking the advice of Manitoba Mineral Resources with regard to their best business judgments, in other words, the recommendations that they make to him. Is he taking that into consideration when he is making his final decisions on any Mines matters?

**HON. W. PARASIUK:** Mr. Speaker, I clearly indicated on Friday that the requests to the Manitoba Mineral Resources Corporation had, in fact, been considered

by the management of the Manitoba Mineral Resources Corporation and by the Board and that they had made the decisions with respect to joint venture proposals from the private sector that had come to them. I said, Mr. Speaker, that that's what took place in the past. We had indicated to Sherritt Gordon that we would take another look at their proposal with respect to Agassiz, that it would be possible for us to make a counterproposal. Mr. Speaker, that is being put forward by Manitoba Mineral Resources Corporation as part of an overall package that they would like to pursue with Sherritt Gordon in the Lynn Lake area on the basis of commercial judgments.

**MR. R. BANMAN:** A further question to the same Minister. So the Minister is indicating to the Legislature that, should Manitoba Mineral Resources advise that there should not be any further purchase of Tantalum Mining or that the province should divest itself of Tantalum Mining, that the Minister would take that information as being very sound, and would more than likely follow it.

**HON. W. PARASIUK:** Mr. Speaker, the Manitoba Mineral Resources Corporation to date has not made that recommendation to me with respect to Tantalum. I know nothing of it.

### Bankruptcies - farmers

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, in the absence of the Minister of Agriculture, I will direct my question to the First Minister. There are a great many people, a great many farmers suffering the personal tragedy of bankruptcy at this time, Mr. Speaker, and I fear that a great many other people in the rural areas, the suppliers of fertilizer and chemicals and seed, etc., are being drawn into what is a worsening economic situation for farmers. My question to the First Minister would be, has he and/or his Cabinet colleagues or a Committee of Cabinet had any briefings on any research work that might be available to tell the government just how serious this problem is.

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, I'm informed that the Minister has flown in from Brandon. His plane landed at 2:10, so it appears that he will be here any moment.

**MR. B. RANSOM:** Mr. Speaker, I believe that I phrased my question so that it was one that the First Minister could answer without the help of his Minister of Agriculture. We would appreciate receiving an answer from the First Minister.

**HON. H. PAWLEY:** Mr. Speaker, there is certainly a great deal of data and information as to the critical situation pertaining to the farmers of the province. Indeed, the meeting that we held last week with members of the Farm Survival Group and the National Farmers Union in this very building was demonstrative

proof of the cost-price squeeze that the farmers of Manitoba, as well as other parts of Canada, are confronted with, and the need for government to undertake what steps it can in order to alleviate the lot of farmers facing pending seeding, pending cropping and yet, at the same time, being pressed by the lending institutions.

**MR. B. RANSOM:** Mr. Speaker, the First Minister started out to use the word "critical" in describing the situation that exists presently and then seemed to back off that. I think his choice of the word "critical" was probably accurate.

In view of the situation that prevails and which the First Minister seems to be aware of to some extent, is he confident that the programs which his government is putting in place will be adequate to deal with the situation that prevails today, given that there is very little time to go before farmers are going to be on the land and many farmers are already faced with the decision of whether it's go or no-go?

**HON. H. PAWLEY:** Clearly, the provincial administration can assist and can help to the extent that it's possible within its financial and jurisdictional means. Clearly, provincial jurisdiction cannot do all that is required in order to rescue the situation in its entirety.

Mr. Speaker, the farmers of this province have been faced with rising energy costs, sharp increase by way of interest rate charges. They are now faced with announcement by the Canadian Wheat Board with reference to a low initial payment pertaining to wheat and as well, of course, faced with the additional cost pertaining to transportation by the elimination of the historic Crow rate. So the farmers are faced with overall problems that require federal action. The Provincial Government is proceeding as best it can and I must say, with a reasonable understanding on the part of the farmers of the province, moving within its jurisdictional financial means to assist to the extent that is possible, in order to help those farmers that are most pressed at the present time by demands from the lending institutions.

**MR. B. RANSOM:** Mr. Speaker, do I take from that answer from the First Minister that he believes that his government is doing everything which it is possible for it to do to assist the farming community under today's circumstances?

**HON. H. PAWLEY:** Mr. Speaker, we are certainly anxious and prepared to do all that we can, that is possible within our jurisdiction and financial wherewithal. It is for that reason, in fact, that the Minister of Agriculture had meetings with the Farm Survival Group this last Thursday to discuss Manitoba Agricultural Credit Corporation financing. It is for that reason, Mr. Speaker, that some one year ago, we introduced a program of interest rate relief in Manitoba, interest rate relief for the farmers of this province, subsequent to a do-nothing government that was supposedly representing the farmers of this province, that had done zilch insofar as assisting farmers who were crushed by rising interest rates, Mr. Speaker.

So we stand behind the efforts that we've undertaken by way of interest rate relief; the fact that we doubled

the finance unit at the Manitoba Agricultural Credit Corporation; the fact, Mr. Speaker, that we introduced a Stabilization Program which has covered some 60 percent to 70 percent of the beef farmers in the Province of Manitoba - a program in which members across the way projected there would be less than 10 percent coverage. Now if their projections were as accurate in respect to the Beef Stabilization Program as those of the Province of Manitoba in respect to the rest of the farm policy in Manitoba, then, Mr. Speaker, one cannot help but feel sorry for the farmers with an opposition such as we have in this Chamber.

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. A question to the First Minister. In view of all of this help that the First Minister indicates his government is providing to the farm community, could the First Minister indicate how many approvals have been made under the MACC Loan Guarantee Program of \$100 million? How many farmers have received assistance and approval under that?

### Wildlife Report

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Yes, Mr. Speaker, on Wednesday, April 14th, the Honourable Member for Turtle Mountain raised a question in the House about the filing of an Annual Wildlife Report of my department. I find that although there is a requirement in the Act for a filing of an Annual Report, the wildlife section of the department, called the Wildlife Branch in the Annual Report that the department have filed, covers the requirements of an Annual Report, because it contains a report on the administration of wildlife in the province. So accordingly, I believe that it would be injudicious to have two reports by the same branch developed for the one year. So we believe that the Annual Report that is filed containing a report on each section of the department should suffice for the purposes of the Act.

### Provincial Mediation Board - proposed

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. W. MCKENZIE:** Thank you, Mr. Speaker. Mr. Speaker, in response to the questions I raised in the House last Thursday with the Honourable First Minister about the serious problems our No. 1 industry in this province faces today, and in light of the headline in today's newspaper, "Province's Mediation Board called an Exercise in Futility", can I ask the First Minister today, will he tell this House and the people of Manitoba, who is this mediation board that is discussed about that is supposed to save our No. 1 industry? What are their powers and what are their terms of reference? Can he advise me what further meeting has Cabinet held over the weekend to deal with this serious economic problem that the farmers face in this province today as they try to plant their 1983 crop?



**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Unlike members across the way, when they formed the government of the Province of Manitoba, this government is presently in the process of forming such a mediation board and, Mr. Speaker, the Minister of Agriculture has been meeting with the lending institutions, with the farm organizations that are most concerned. In involving his department, Mr. Speaker, in ensuring that there are appropriate terms of reference developed and in working out a membership in respect to that review panel, the Minister of Agriculture is moving towards the making of an announcement pertaining to terms of reference, membership, etc., just as quickly as he can.

**MR. W. MCKENZIE:** I thank you, Mr. Speaker. I wonder if the First Minister could be kind enough to advise the House and the people, who is the chairman of the proposed review board?

**HON. H. PAWLEY:** Mr. Speaker, I've just finished indicating that the Minister will be making an announcement pertaining to terms of reference, membership, just as quickly as he is able to do so. Mr. Speaker, but prior to doing so, the Minister of Agriculture is working closely with the leadership of the various farm organizations most vitally concerned about this issue and is not working in a vacuum or in isolation from the concerns of the Manitoba farm population.

**MR. W. MCKENZIE:** Mr. Speaker, I am completely frustrated and absolutely annoyed at the First Minister of this province. I raised these questions in the House last Thursday. He's the Minister of the House. He's the Leader of this Government. What are you doing over there? You're doing absolutely nothing for the farm people of this province. May I ask him again, what are the terms of reference of this board? I asked you last Thursday. Surely you've had some meetings with your Cabinet members over the weekend to tell the farm community what you're going to do for them. Mr. Speaker, what are the terms of reference? What kind of money are you giving this review board? What powers? And what are they going to do for the credit unions and the other people in this province that are facing serious economic problems today?

The Minister sits there like a bump on a log, Mr. Speaker. He doesn't even know what I'm talking about. Because after all, we've been raising this thing in the House for at least the last six weeks and they've done absolutely nothing . . .

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please.

**MR. W. MCKENZIE:** I raised it last Thursday, I raise it again today . . .

**MR. SPEAKER:** Order please, order please. The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, how indeed times change. I can recall in 1979, 1980, 1981 - sitting across

the way and the Honourable Member for Russell - where was he sitting - here? - remaining entirely mute when these questions were raised in the House of the previous Minister of Agriculture for this province, completely mute. At least, Mr. Speaker, the contrast between this government and the members across the way is that there's a great flurry of words and nothing, a great flurry of holy pious championship, when indeed there is no substance. Mr. Speaker, this government is acting; this government is proceeding in consultation with the farmers of this province.

When this government has completed its consultation and the evolving of the terms of reference and the membership, we'll be delighted to make that announcement. I know members across the way are thin-skinned, Mr. Speaker, because they did zilch and it required this government to undertake the necessary initiatives.

**MR. W. MCKENZIE:** Mr. Speaker, again we get no answers from this First Minister - absolutely nothing. Mr. Speaker, when are you going to tell the farmers of this province in response to my questions last Thursday? This review board will be set up. What kind of powers have they got and what kind of money have they got to help the people in this province, and the farm people to put their crop in? What day? Monday, Tuesday - this is Monday now. I asked the question on Thursday. Is it going to be tomorrow, Wednesday or six weeks from now?

**HON. H. PAWLEY:** To be very clear, because I can see now what the Honourable Member for Russell wants to insert into the record that we are responding to their wishes, to their demands. No, Mr. Speaker, if we had waited for their demands, we'd be waiting to 1989 in the Province of Manitoba.

Mr. Speaker, I'm pleased to see the Honourable Minister of Agriculture is present because the Minister of Agriculture is going to have a great deal of fun in the remaining minutes, striking out honourable members across the way that appear not to be following the agricultural situation in Manitoba and the progressive moves that are being undertaken by this government to deal with the critical situation of agriculture in Manitoba.

**MR. SPEAKER:** The Honourable Member for Tuxedo.

**MR. G. FILMON:** Mr. Speaker, following on that line of questioning to the First Minister, since he seems to be enjoying telling us about all the wonderful things his government is doing for agriculture in this province, in view of the fact that he has indicated that under our administration that nothing was done for farmers in this province - "zilch" - as I think he referred to it; in view of the fact that he says that his activist government is doing so much for farmers in this province, why then has the number of farm bankruptcies in this province increased by 380 percent in the first year of NDP administration in this province?

**MR. SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Mr. Speaker, apparently the Member for Tuxedo doesn't realize, and apparently we must

again inform him, that the reason for the rise in bankruptcies from Newfoundland to British Columbia is a result of the interest-rate policy, tight-money policy, favoured by the Conservative Party of Canada; favoured by the Liberal Party of Canada; favoured, indeed, by Conservatives throughout the Western World.

**MR. SPEAKER:** Order please. The time for Oral Questions has expired.

The Honourable Member for Swan River.

**MR. D. GOURLAY:** Mr. Speaker, I ask for leave of the House to make a non-political statement at this time.

**MR. SPEAKER:** Does the Honourable Member have leave? (Agreed)

### NON-POLITICAL STATEMENT

**MR. SPEAKER:** The Honourable Member for Swan River.

**HON. S. USKIW:** Thank you, Mr. Speaker. Yesterday in Regina the Ed Werenich's rink from the Avonlea Curling Club at Toronto won the Air Canada Silver Broom, emblematic of the World Curling supremacy. Ed was raised, educated and learned how to curl in Bonita, Manitoba, which makes up part of the Swan River constituency. Ed's parents still live in Bonita. I'm sure all members of the Assembly join with me in congratulating Ed Werenich and his rink for their superb curling and in retaining the world championship for Canada.

### COMMITTEE CHANGES

**MR. SPEAKER:** The Honourable Member for Riel.

**MRS. D. DODICK:** Committee changes, Mr. Speaker.  
Economic Development: Uskiw for Parasiuk, and for Law Amendments: Ashton for Dolin.

**MR. SPEAKER:** Orders of the Day, the Honourable Member for Riel.

**MRS. D. DODICK:** The Standing Committee on Economic Development is Parasiuk for Uskiw.

### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. R. PENNER:** Mr. Speaker, I move, seconded by the Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

Mr. Speaker, by consultation and agreement with the Opposition House Leader, we're interrupting the Health Estimates in the House and Finance will start today and continue until tomorrow and we'll see where we go from there. In committee, we will proceed, as has been the case I think, with Civil Service.

**MOTION presented and carried** and the House resolved itself into a Committee of Supply to be granted

to Her Majesty, with the Honourable Member for River East in the Chair for the Department of Finance and the Honourable Member for Burrows in the Chair for Civil Service.

### CONCURRENT COMMITTEES OF SUPPLY SUPPLY - CIVIL SERVICE COMMISSION

**MR. CHAIRMAN, C. Santos:** We are now considering Item 1.(a) - the Honourable Minister.

**HON. M.B. DOLIN:** The last time we were in this Estimate review, Mr. Chairman, the members asked for some information which I have for them today.

One is the indication of applications received for the competitions that they mentioned, particularly for assistant deputy ministers, and the other is our Affirmative Action Policy statement. Perhaps I can pass these down to the member now.

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

**MR. G. MERCIER:** I thank the Minister for the information. Perhaps I'll have an opportunity over the dinner hour to review it and may come back and ask further questions.

When we left off, Mr. Chairman, last time we were in committee on Thursday evening, the Minister indicated that with respect to the special early retirement option that is being offered to senior civil servants, it was the Commission's estimate that if 300 civil servants take up the offer that the cost to the government will be some \$2,330,000.00. She had earlier indicated that possibly all 3,000 of these senior civil servants who are eligible, could take advantage hypothetically of the offer. My question to the Minister is, where in the Estimates is this \$2.33 million budgeted, or is it not budgeted at all and is it the intention of the Civil Service Commission to ask for this money later on by way of Supplementary Supply?

**MR. CHAIRMAN:** The Honourable Minister.

**HON. M.B. DOLIN:** The cost of the severance benefits would come out of consolidated revenue. However, what the member is perhaps not taking into consideration is that there is a saving even in year one, which becomes an even greater saving in year two.

**MR. G. MERCIER:** Well, using the figure the Minister was using, 300 people, what is the saving in the first year?

**HON. M.B. DOLIN:** The saving in the first year is 5.3 million.

**MR. G. MERCIER:** That's assuming I take it, Mr. Chairman, that the positions are not filled.

**HON. M.B. DOLIN:** That's correct. As I explained earlier, the figures we are using are based on not filling the positions. But we also have an estimate of how many of those positions could be filled and still leave us in

a break-even position. If these people retire and their positions are determined to be filled, there still would be a time lapse between the time that they retired and the time that the position was filled.

**MR. G. MERCIER:** Mr. Chairman, has the Minister formed an opinion that there are a certain number of these 3,000 positions that would not have to be filled?

**HON. M.B. DOLIN:** I can't form any opinion on that because I don't know where these retirees are going to come from. They will come from across the government, so the people in the various departments would have to make that determination. If the people come from positions where we feel there is a need to fill them, then I'm sure that determination will be made, but they would probably be filled by people earning a lesser salary than the people who have retired, because there would be someone new coming into the position, someone who perhaps had not been with the government as long and there would be a cost saving there.

The experience of the private sector in this area of enhanced early retirement is that there is a much greater take-up than they predict and that the cost saving is certainly there.

**MR. G. MERCIER:** What will be the procedure used then to determine whether or not a position should be filled? Would this be a departmental . . .

**HON. M.B. DOLIN:** In place now is a process by which Treasury Board reviews each request for filling each position and that is done for all positions. That will remain in place, so each of these positions would be assessed on its own merits.

**MR. G. MERCIER:** Mr. Chairman, in the Minister of Finance's Budget on Page 14, he indicated that the government has reduced the number of positions in government departments by almost 500 from last year's total. Does the Minister have a summary of where those reductions took place?

**HON. M.B. DOLIN:** I can get you some information on that in just a few moments. I would say, in a preliminary fashion, that those positions are vacant positions or positions that have become vacant through attrition. In other words, they weren't people that were let go.

What I have for you is the net reduction in each department that is the result of this year's Estimates and, if you wish, I can give you that information. There has been a subsequent ongoing decrease in the number of positions, as positions are perhaps not approved by Treasury Board, or departments may determine themselves that they don't need to fill a particular position and, therefore, don't request it. I am not sure whether you wish to have me table this or read it out. Do you want me to read it out?

**MR. G. MERCIER:** If it's a summary, sure. Read it out.

**HON. M.B. DOLIN:** All right. In Agriculture, there is a net adjustment of 10 positions - I'm giving you the reductions, okay? - Community Services and

Corrections, 46; Consumer and Corporate Affairs, 3; Co-operative Development, 1/2; Cultural Affairs and Historical Resources is 2 and approximately 1/2; Education, 31-1/3; Fitness, Recreation and Sport, 1; Government Services, 20; Highways and Transportation, 22.5; Labour and Manpower - as it was called then - is a portion of a term year, it comes to .10; Municipal Affairs, 8 positions; Natural Resources, 51 and about 1/2; Northern Affairs is 8; Environment and Workplace Safety is 6-1/2; Urban Affairs is 1. Then there is an adjustment for the Highways departmental staff and the total comes to 425 positions at that time, so there have been some added since then. This was the Cabinet summary in January, so you see there are a few months from that time to now.

**MR. G. MERCIER:** The objective was to reach 500?

**HON. M.B. DOLIN:** No, the objective was to eliminate positions which were not viable or which could be handled by people already employed.

**MR. G. MERCIER:** Mr. Chairman, the Minister of Finance had said we have reduced the number of positions in government departments for '83-84 by almost 500 from last year's total.

**HON. M.B. DOLIN:** That's correct. Actually we're a little bit over 500.

**MR. G. MERCIER:** Is the Minister saying that all of these positions were vacant at the time, that nobody was laid off as a result of this reduction?

**HON. M.B. DOLIN:** There was no one laid off. There were some redeployments; there were a lot of vacant positions; there were positions that became vacant and through reassignment of the job, or a different job description, or different job mandate - I can use our Department of Employment Services as an example and explain that in some detail - positions were eliminated in that way. There simply wasn't a need for them under repriorization, but the people were not laid off.

**MR. G. MERCIER:** Can the Minister then indicate the number of civil servants and term employees paid on a regular basis as of April 1st? She may have a different date. I don't mean to be difficult about the date.

**HON. M.B. DOLIN:** Okay, as of early this year.

**MR. G. MERCIER:** Well, the departmental Commission Report indicates that in December 1982, there were 12,694 civil servants and term employees paid on a regular basis. As a result of this reduction, what will that complement of civil servants be?

**HON. M.B. DOLIN:** I have the figures up to March 1983, which I think is quite recent, and we can compare them if you wish, with December 1982. But what we have on the payroll right now, regular civil servants, 12,529; 94 people on contract, and under other, 3,762. The total is 16,385.

**MR. G. MERCIER:** The total is 16,000?

**HON. M.B. DOLIN:** It's 16,385. Perhaps I might note to you that in December 1982, not that long ago, those figures represented regular civil servants at 12,694; contract at 96; other at 3,983, for a total of 16,773.

Now those figures represent people, not positions. So as at March 31, 1983 there were 487 vacant positions within the Civil Service.

**MR. G. MERCIER:** As of March 1st there were 400 and . . .

**HON. M.B. DOLIN:** March 31, 1983, 487. Yes, those are regular positions that were vacant. Wo what we have been doing is taking a look at hiring and filling vacant positions, and seeing how the job can be done in another way.

We have also redeployed people to provide more useful services to people, and they therefore may be doing a different job, which in some cases may mean that there are not as many people needed to deliver the new service as opposed to the old service. Until those people left the Civil Service or were moved around within the Civil Service, there wasn't that reduction.

**MR. G. MERCIER:** What was the figure for the number of vacant positions as of March 31st?

**HON. M.B. DOLIN:** 487. Yes. That's regular and term positions, I should say.

**MR. G. MERCIER:** So that's the figure that was used really in the Budget process, or is this after the reduction of 500?

**HON. M.B. DOLIN:** That's after the reduction, yes.

**MR. G. MERCIER:** After the reduction there were still 487?

**HON. M.B. DOLIN:** That's right, and those are the kinds of positions that will come to Treasury Board, or are in the process of going through Treasury Board, positions where people leave, and the positions do need to be filled, most likely, and that's why they have been kept.

**MR. G. MERCIER:** Perhaps the Minister can help me. On page 7, of the Annual Report, they refer to 12,694 civil servant and term employees and they compare that to December 1977.

Now the Minister has added to those figures, contract employees and others. What are others?

**HON. M.B. DOLIN:** Those are in the report as well, and you want to know what "other" means?

**MR. G. MERCIER:** Is it on another page?

**HON. M.B. DOLIN:** Appendix 2, on Page 25, should give you the information you're looking for.

**MR. G. MERCIER:** That refers to established jobs.

**HON. M.B. DOLIN:** If you look at Table 2 at the top of the page, there is a remark under the figures given

that says, "This includes departmental casual shifts, sessional, hourly, and if, as and when employees."

**MR. G. MERCIER:** In terms of comparing the number of civil servants from one year to another, are those the most appropriate figures, the established jobs plus contract employment and others?

**HON. M.B. DOLIN:** Yes, that is the total complement. The other really includes those persons hired on a seasonal or sessional basis. In Table 3, the December, 1982 column, if you look at the bottom, you'll see that you have that figure that I gave you earlier. That includes all of them. But, in order to compare year-over-year or month-over-month of regular employees, you must separate them out.

**MR. G. MERCIER:** The appendix would indicate in December of 1981, there were some 16,270 employees and the government, if I recall correctly, raised the number of civil servants by about 500 in the first year in office and have now reduced the overall figure to 16,385 of which, the Minister says, 487 positions are still vacant and subject to an ongoing review as to whether those positions are filled.

**HON. M.B. DOLIN:** I'm not sure if you are looking for an answer to this comment or not. I believe that you covered the 1981 figures during last year's Estimates, but I would point out to you that on the next page, under the notes, again define that fact that - as an example, in Government Services, the cleaning staff was brought under Civil Service employ and they were not there before. So we're talking about net reductions and we are not speaking department by department when we're talking about the whole number, of course.

So I would say that during last year's Estimates you probably covered fairly carefully what that figure represented. This year, through a lot of other means and a careful scrutiny of whether positions are in fact needed to be filled, we have further reduced the number of people in our employ even though other groups have been taken under the employ of the government.

**MR. G. MERCIER:** Would the Minister then, Mr. Chairman, in view of her experience and approach in policies, consider the number of civil servants employed under our government as vicious cutbacks?

**HON. M.B. DOLIN:** I assume the member by saying our government means the previous government, I want to get that clear on the record. But I think the important point here is the way in which it was done. We have reduced vacant positions and where people might have been doing a job that we felt was not as necessary as it had been, we have redeployed and assisted in retraining and put those people into other positions to deliver a service that we do feel is a priority. So, we have not reduced people, we have not laid off people, and that's the difference between what the member refers to as, you know, the previous government and our government, which is the current government.

**MR. G. MERCIER:** Mr. Chairman, is it the Minister's intention, or the Government's position, or do they have

any fixed policy with respect to these 487 vacant positions? Are they only going to allow so many of them to be filled or will that simply be done on the basis of what they consider to be the need to fill them? Do they have some fixed positions - for example, they're only going to fill 250 of them?

**HON. M.B. DOLIN:** We have no fixed number. Each request for filling a position is considered separately and uniquely. However, all departments are required to submit to their justification for filling that position in a similar way, so that when we compare need, and assess need, we are looking at it from the same point of view for every department. Many positions are filled for a short-term basis because they need to be. I would suggest that when people are off on maternity leave you may sometimes need to get someone else in on a term basis to fill that position. That sort of thing certainly happens with some regularity, but the positions that are vacant are frequently vacant because there is a bulletin out already to fill them or they are going to be filled in a different way through redeployment of a person within the department, and when those things are considered by Treasury Board, they are each considered separately. Each position comes in on a separate sheet of paper with separate justification for that position.

**MR. G. MERCIER:** The Minister indicated, Mr. Chairman, that there were 94 contract employees as of March 31st. Is it the Minister's intention to attempt to further reduce the number of contract employees?

**HON. M.B. DOLIN:** Most of those positions within that 94 are actually within the Department of Employment Services. They are the New Careers' people and they are hired, of course, on contract, because it's for a short-term basis and we know that they are going to be employed by someone else when they finish their course. There are some people within, I think, the Attorney-General's department - articling law students who would be hired on a contract basis and then the odd position here or there, strictly for a specific task, where someone would be hired on contract.

**MR. G. MERCIER:** The contracts do not go through the Civil Service Commission, that's done by the respective departments?

**HON. M.B. DOLIN:** There is justification for this hiring that goes to Treasury Board, and the Civil Service Commission staff always has a look at that and their comments are included on the justification page.

**MR. G. MERCIER:** I may have missed it but there may be some reference to the number of term employees in the report.

**HON. M.B. DOLIN:** In Table 1, on Page 24, if the member will look at the last two columns. The difference between the civil servants in Established Jobs column, the last column, and the column immediately preceding which is All Employees, will give him the number of term employees.

**MR. G. MERCIER:** So there are roughly 1,200 term employees as of December 1982.

**HON. M.B. DOLIN:** Roughly that, yes.

**MR. G. MERCIER:** Can the Minister indicate how many term employees there were as of December 1981?

**HON. M.B. DOLIN:** The civil servants in Established Jobs in December, 1981, was 11,518. The total number there was 12,278, fast calculations. I don't have my calculator with me. Approximately 700.

**MR. G. MERCIER:** Can the Minister indicate then where the 500 increase in term positions is?

**HON. M.B. DOLIN:** Well, I think that your first figure might have been a little mistaken. I think it's about 800 difference. So that's, at best, maybe 100.

**MR. G. MERCIER:** I didn't get here on the basis of my ability in mathematics, I can assure you of that.

**HON. M.B. DOLIN:** On that we can agree and I'll have to say neither did I.

**MR. CHAIRMAN:** 1.(a) - the Member for La Verendrye.

**MR. R. BANMAN:** The Minister mentioned there were some New Careers student positions there. I wonder if she could tell me how many New Careers positions there are filled and vacant at the present time?

**HON. M.B. DOLIN:** I believe that the New Careers Branch and all of the details concerning that were covered in the Employment Services Estimates. Are you looking now for the exact number of New Careers contracts?

**MR. R. BANMAN:** Out of the 96 contracts, the Minister mentioned there were New Careers involved there, and I was just wondering how many of those 96 were New Careers.

**HON. M.B. DOLIN:** I'd have to go back to my other Estimates book and get that figure for you again. I would not want to misquote it by trying to do it off the top of my head.

**MR. R. BANMAN:** I guess the question that has to be asked of the Minister, is she expecting that there will be more contracts filled on the New Careers Program, or is it the government's intention to hold it at the level it is right now?

**HON. M.B. DOLIN:** We have no special desire to hold that program to a certain number of people. The more employers that become involved in the program, the more students that we are able to accommodate, the more training that we're able to do, it's a very very successful program. I would say that whatever take-up we have on that program we will proceed with it.

**MR. R. BANMAN:** I understand there has been some previous discussion with regard to the policy which the government initiated, regarding early retirement. I'd like to ask the Minister several questions and sort of just preface my remarks by saying, as she is probably aware,

there are a number of people out there who have taken early retirement and are two, three, four, five, 17 days away from the cut-off time, and have now found themselves in the position of having served in the government, or in a Crown agency for some 35 years, and because of a week or so are now faced with having to take a lesser amount of money, with regard to their pension, than before.

I had the matter raised to me by someone who was employed by a Crown corporation who - and he indicated that after 35 years of service - retired sometime in February, and was 17 days away from receiving the pension; has as I mentioned spent 35 years with the Crown corporation; had 55 days of vacation pay piled up and was given a cash settlement for the 55 days. What he could have done very easily is just gone on holidays for 55 days and then come back and worked a week, and then retired and could have availed himself to this program.

But I would ask the Minister, first of all, what effect the current program has had in the Crown corporations, as well as government, in going ahead and getting people to retire maybe earlier than they normally would?

The other question is, what can be done or what will be done with regard to these people who now, because of the government's announcement and the government is now paying that 1.5 percent penalty as a supplement for these people that are taking advantage of the program - is there anything the government will be doing with regard to these people who are long-time employees of the government, and now are caught on this thing because they retired 17 days, or two days before the announced cutoff?

**HON. M.B. DOLIN:** I think it's important to point out that there is no loss of pension benefit for people who have retired outside this window, no loss whatsoever. What the window does, is allow people of a younger age, and with fewer years with the government, to retire. There is also a slight difference in the way that the benefits are figured for those who retire.

Now this is an enhancement. It's over and above regular pensions. If we had set the date at February 1st - we made it retroactive to March 1st, it's four months, not three - but if we had set it at February 1st we would have lost those, by your description, who retired in January. We picked the months where there is the highest level of retirement. There is really no way, I don't believe, that you can set a window, an enhancement, a supplementary severance benefit, that does not have limits. By its very nature it has a beginning and an end.

There might be a desire on the part of some people to have these benefits in place all the time but that is an exceedingly large cost. That certainly would be something that would have to be looked at with great care and caution. There are some aspects of this window which have been recommended by the Pension Commission as part of pension reform but as you well know there are those employers who say, look at this with great caution because it's very costly.

So the people who retired before this window, the people who are 52, or 53, or 54, who are not eligible to retire during the time of the window - just as they were not eligible to retire before - still will not be covered by this particular enhancement.

**MR. R. BANMAN:** I wonder if the Minister could explain this to me. Someone who's 55 has 35 years of service - in other words started working for the government when he or she was 20 years old and has worked for 35 years for the government - and then retires two days before the March 1st cutoff, what kind of a loss does that person face?

**HON. M.B. DOLIN:** I guess we'd have to figure in the 55 days of paid holiday as well, the cash settlement you referred to, I think we would have to work that out. If you'll give us a few minutes we will. Again, it's not a loss in pension benefits and I think we must be very clear on that. There's absolutely no loss of pension benefits. The enhancement allows extra leeway among those who may retire.

**MR. R. BANMAN:** Mr. Chairman, is the Minister saying that regardless of this policy, had this individual retired between March 1st and June 30th - the case that I pose to you, the civil servant who has worked for the government for 35 years and retires at 55 - it doesn't make any difference to him or her whether or not she or he retires two days before the cutoff or during the cutoff?

**HON. M.B. DOLIN:** The person that the member described, and I'll go back to that question first because I was getting that information while he was asking his later question, the person that you described, I could probably relate to the examples that we have on our chart of someone who is 58 years old, 35 years service, and retired just before the window came into effect. The only difference would be in the averaging - the six-year average as opposed to a seven-year average which is place for regular retirees - that amounts to \$44 a month.

As we look at moving towards that six-year average, which is under consideration at this time, if we decide two years down the road to move to a six-year averaging then what is happening, is that the people who retire during this window are simply getting that a little earlier. But pension benefits, when they are passed by Cabinet and become part of the Act and become part of the calculations for retirement benefits, it's always made retroactive to those who have already retired, so there would be no loss then if it comes into effect a year or two down the road. Now, I'm not saying that it's going to, but it certainly something that we're looking at, the different averaging formula.

**MR. R. BANMAN:** Just in case I haven't made myself clear, this particular individual is not taking issue with this and neither are the people that are caught in this. They're not taking issue with the fact that the amount of their pension - I guess everybody would like to get a higher amount - but the thing that really disturbs them is that many of them did have holiday time built up and by virtue of the new policy announced to try and encourage early retirement, in many instances some of these people have had more years of service than many others and now are not benefiting because they've been there for a long time. Is the Minister saying that the \$44 is roughly the difference that the person would have lost, or would have gained, had he or she retired within March 1st and June 30th?

**HON. M.B. DOLIN:** I don't know the specifics of this particular case, but that's an average - it's on average and that's what it would be - and I might point out that the person, unfortunately, who turns 55 in July is also not able to retire during this window, because there are beginning and ending dates and there must be, that's the window. What you're talking about is a door.

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

**MR. G. MERCIER:** Mr. Chairman, the Minister in answering my colleague, referred to the fact that \$44 for this hypothetical person was the difference between pension based on the best six instead of the best seven years. Is there not also to be calculated in there the waiving of the early retirement penalty of 1.5 percent per year for persons between 55 and 60? Is that taken into consideration in this?

**HON. M.B. DOLIN:** The example I gave you was of a hypothetical person who is between 55 and 60, so that would be taken into effect. That's why it's a little higher. If you take someone who's over 60 and you look at the difference between a person over 60 who retired in February and a person over 60 who retired during the window, the difference is much less, or a fair amount less. Again, these are all hypothetical cases. So each person's pension is quite different and this information is being provided to all potential retirees by the staff.

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Could the Minister confirm? The 1.5 percent per year for retirements between the ages of 55 and 60 is now being paid by the province as sort of a severance settlement?

**HON. M.B. DOLIN:** I think there is a shading of difference in the way you have stated it and the way that it actually is that's important and that is, it's not a sort of a payout of 1.5 percent. The 1.5 percent was a reduction in the calculation of their pension benefits, had they retired without this special supplement. What we've done is say that we will not calculate in that 1.5 percent reduction.

**MR. R. BANMAN:** Where is the money coming from to pay for that?

**HON. M.B. DOLIN:** As I said earlier, it comes out of consolidated revenue and the savings is greater than the expenditure.

**MR. R. BANMAN:** So the Minister is saying someone who retired two days or 17 days before the cutoff and does not fall within the parameters of the March 1st, June 30th, 1983 so-called window, is just out of luck and has no other recourse but to continue or go on the way he or she is right now.

**HON. M.B. DOLIN:** If I could use a bit of an analogy. If you or I have a child born on January 1st, in most school divisions in this province that child cannot get into first grade that year. They have to wait until they're six years old and that has to be the following September.

If I have . . . — (Interjection) — Yes, a tax break is another one. My legal friend down there has pointed that out.

There are dates set for all kinds of things that we do, this is another one of them, and it is unfortunate for some people that they fall on one side or the other of a particular window. But if we had set the dates from February 1st to the end of May, or if we had set them from August 1st to December 30th, there would still be people who fell on one side or the other, by an accident of their birth and of their employment. So no matter how you cut it, you have these kinds of situations arising and if you continually go both backwards and forwards with this, again you don't have a window, you have a wide open door.

**MR. R. BANMAN:** Well, I guess this is the unfairness of this particular policy which the government introduced to try and reduce the - in their way reduce the size of the Civil Service and in effect some of the cuts that we've been talking about before - and really what's happened is that there a number of people that have been caught with this. Unlike her analogy where she says it's unfortunate when a child is born earlier or later, hopefully the parent has had something to do with that child being born. What I say to you here now . . .

**HON. M.B. DOLIN:** It depends on your religion.

**MR. R. BANMAN:** Well, Mr. Chairman, I might still be from the old school that way, but I think there is an input by the people that are involved.

But I want to say to the Minister, these people who have worked in this instance for 35 years for the government, are really caught and really do feel cheated in this particular instance because they have a fellow worker who has waited, hasn't retired, now can retire and get \$44.00 a month more for the rest of their life and to that extent, Mr. Chairman, I have to say I feel sorry that it is actually a little bit ill-conceived, that these people who have worked that long for the government are treated in this fashion and for two days or 17 days difference see \$44.00 whipped out from under them. It's not a right way of doing it and I'm sorry that the Minister doesn't want to take some steps to try and alleviate part of that problem.

**HON. M.B. DOLIN:** The \$44.00 is not removed from them, or whipped out from under them. It is something extra which they are not receiving, but there is no reduction in their pensions.

**MR. R. BANMAN:** Well, Mr. Chairman, if you retire and you retire two days before the cutoff and your friend retires within a week when you did, because of the cutoff your friend gets \$44.00 more than you do. I say to the Minister that there are a lot of people who really really feel cheated with this particular thing and are not happy about it.

I can see now that they don't have any recourse and the Minister won't give them any satisfaction on that, but I just point it out to the Minister that there are a lot of people who have put in a lot of time with the government. The pension plans were established. They

knew what the payouts were and now suddenly by some act of the government, by the consolidated revenue fund throwing some more money into the system, the rules of the game are changed for a few months and these people are left out in the cold.

**HON. M.B. DOLIN:** I would just like to propose a question, and I suppose it's a bit rhetorical, but I wonder when the member would suggest it would be fair, two days, two weeks, two years difference, at what point does what he describes become fair?

**MR. R. BANMAN:** Mr. Chairman, let me put it this way to the Minister. The Minister announced this program in a way to try and cut down the Civil Service and try and reduce the Civil Service. That was one of the reasons that she announced this program and she's the one who is going to have to take the responsibility for it. Surely, when she was developing the program somebody pointed out that these things could happen and this is the decision that she has made and is going to have to live with the decision. There are some people that have not been treated fairly, I believe, in this matter, by this decision of this government and they will have to accept the responsibility for that and the consequences for it.

**MR. CHAIRMAN:** 1.(a) - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, does the Minister not have any concerns that once having opened a window, as she calls it, and offering some special benefits to early retirees, that the people remaining in the Civil Service will wait for the next window, especially when the Minister mentions that the government is looking at changing the best seven to the best six years, that people will wait for that to happen or wait for another so-called window to open, that this may have the reverse effect of having people who would otherwise have taken an early retirement at some point, stay on waiting for these special benefits to occur once again?

**HON. M.B. DOLIN:** Since this is only the second window ever introduced in the history of pensions — (Interjection) — the war service issue, which I suppose neither of us were involved in. It certainly has been practice throughout the years of the Pension Fund that any benefit that is passed is made retroactive to those who have already retired. So if these people choose to retire, if there is a benefit put in place, they would receive it anyway, so they wouldn't need to wait.

I would think there would be a lot of reasons that people would choose to remain employed and there perhaps are a lot of reasons right now that they choose to remain employed, some beyond 65 even, but that would be their choice and I'm not sure that we would ever even determine with them exactly why they want to remain working.

**MR. G. MERCIER:** I wonder, Mr. Chairman, I believe the Minister has indicated that the MGEA does not support this plan of the Minister's. Could she indicate who was the originator of this concept and what the objective is?

**HON. M.B. DOLIN:** The MGEA, as the member is probably aware, is only one group within the fund. There

is a liaison committee made up of representatives of all of the various working groups within the Fund. There is a difference of opinion, I suppose, among those groups, but essentially there is support for the concept. There is some encouragement certainly presented to government to make the changing in the calculations a permanent fixture of our pension benefits. That has been in fact presented, I think, to the last several governments as a change, so that is nothing new, they would like to see that not be a window, but be permanent. But the concept, the idea of an enhancement is certainly supported by that liaison committee, which is representative of all the groups within the Fund.

**MR. G. MERCIER:** Mr. Chairman, the second part of the question was with respect to - the Minister may choose not to answer this part of it, but where did the concept of a special early retirement package develop, and what was the objective?

**HON. M.B. DOLIN:** The idea of the special severance benefit developed, I think, over a period of months of more or less casual discussion about movement within the Civil Service, within other groups that are in the Superannuation Fund, and became a part of a package of benefits that was agreed upon as far as investigation and possible implementation. Those things included such items as the allowance or the permission to take leave without pay for study or for whatever reason when requested by an employee. They include the development of some other possible opportunities for some kind of fluidity, I would say, within the Civil Service, within the government employment.

This was one of the concepts that was developed in consultation with the MGEA and other groups were looking at this as well. Hydro, Telephones, and so on were looking at some kind of window, so it was decided to go with a window for everyone.

**MR. G. MERCIER:** I wonder if the Minister could be more explicit as to the objective. Was it to reduce the Civil Service, or was it a concern over perhaps the age groupings within the Civil Service and bringing in younger people?

**HON. M.B. DOLIN:** There is no simple answer to that, because there wasn't a single reason why we did this. Certainly to reduce the Civil Service by allowing opportunities to retire as opposed to laying people off is a consideration. Certainly perhaps the shrinking opportunities for younger people to find employment or to advance within career paths was another consideration, as an aging population is in place within our society.

There were a number of options, I think, available to us for dealing with these problems. We tried to deal with each of the suggestions and each of the ways of approaching the problem by allowing the greatest possible movement out of the Civil Service without actually reducing positions with people in them. This is one of the ways. I have mentioned some of the others.

**MR. G. MERCIER:** Mr. Chairman, I wonder if the Minister could undertake, for the next set of Estimates



and perhaps it will be included in the Annual Report, some statistics on this program. For example, how many people took advantage of the program, perhaps an indication as to their salary levels, an indication as to the cost to the government, an indication as to the number of positions that were filled. I think we should take a detailed look at the results of this next year.

**HON. M.B. DOLIN:** We certainly are keeping track of that. We are doing that already and the information will be certainly supplied with next year's Estimates. I can tell you that the figures I have are as of the 13th of this month. There were 468 inquiries; 329 of those in the Civil Service. There is an update on that figure. There were over 600, as of last Friday, inquiries about early retirement from people who would be eligible. There have been already 76 office interviews regarding retirement; 134 written estimates of optional pensions; 40 to 50 estimates are processed per day. There is a backlog of over 250 already and I'm sure if I went to them to update this list, that would be greatly increased as of last Friday. Of course, there are seminars scheduled throughout the province to share information with those who are eligible.

**MR. CHAIRMAN:** 1(a) - the Honourable Member for Fort Garry.

**MR. G. MERCIER:** Mr. Chairman, with respect to the Affirmative Action Policy, could the Minister indicate whether the program has been approved by the Human Rights Commission?

**HON. M.B. DOLIN:** The discussions regarding this policy have taken place with the Human Rights Commission. I haven't received anything from them yet specific to this, but certainly procedures regarding the Affirmative Action Policy would be those that would be confirmed by or approved by the Human Rights Commission as well.

**MR. G. MERCIER:** So it has not yet been approved?

**HON. M.B. DOLIN:** Staff has just informed me that although we didn't have to have their approval, they have approved the Affirmative Action Policy, given it their approval. It's not a written minute yet, I mean that's in process, but we do have their approval - enthusiastic approval I should add.

**MR. G. MERCIER:** In the revised, what the government calls the MGEA Revised Agreement Ratification, there is - and the Minister may want to talk about this under 2. I suppose - but there is to be implemented a long-term disability plan. The announcement had indicated that the parties will negotiate the specifics of the plan. Have those details been negotiated yet.

**HON. M.B. DOLIN:** No, they are to be negotiated during this fiscal year so that . . . (No transcription available)  
. . .

**MR. G. MERCIER:** Can the Minister expand on the concept that will be implemented with respect to long-term disability?

**HON. M.B. DOLIN:** The parameters of the program itself have not yet been set. It depends on exactly what the MGEA presents to us for consideration. It depends on what we research in various plans already in place and see as beneficial to our employees.

The important point, I think, is that we have put a cap on the cost of this LTD plan of 1 percent of payroll. So we know the financial parameters within which we are working and the negotiations for this LTD plan will take place through joint counsel over this coming year.

**MR. G. MERCIER:** Mr. Chairman, with respect to the TAP Program, in the original advertisement for the TAP Program, there was no reference to one particular program or to numbers. It just indicated the government is seeking to establish Temporary Assignment Program consisting of a small core of executives and senior management professionals. Subsequently, I think there was an indication somewhere along the line that there were to be four people employed under this program.

Up until now, I believe the Minister indicated, there are only two - Mr. Scotton and then Mr. Ferris from the Department of Education has apparently been hired to be the senior manager of the Jobs Fund. In the Annual Report on page 7, it seems to be worded based on the original bulletin, is there a limit to the number of individuals to be employed under this program? As the Minister has indicated in the past, I think it may depend on the number of applications with various departments. I wonder if the Minister can expand on this program?

**HON. M.B. DOLIN:** There is a limit of 10 positions available under the TAP Program. Those positions were created by transferring four positions that were made available by the transfer of senior vacancies from other departments to the Department of Finance specifically for this program, and six additional positions that are provided for in a separate appropriation by the Department of Finance and of course it would be within that department's Estimates.

Now the recruitment and the advertisement for these positions was necessarily not indicative of where these people would be working, because application has to come from the departments to the Department of Finance to access one of the positions for a specific task within that department.

You're correct in saying that two people have already been hired. My information is that there are others in process - the Department of Economic Development, Natural Resources - those two at least have applied for positions under the TAP Program. Actually there are five positions in total that will probably be filled, that's including the two that you've already mentioned, and it will be filled in a very short while.

**MR. G. MERCIER:** How many applications were there for this program?

**HON. M.B. DOLIN:** There were 480 responses to the general ad.

**MR. G. MERCIER:** Then how was Mr. Scotton approved for his? The Minister, I think, has outlined some duties that he apparently has in the Department of Labour

when we were in that department. Was there a separate bulletin for the job which she had in mind in the Department of Labour, or were these 480 applications simply put in a file and as each department develops a program, they review the applications?

**HON. M.B. DOLIN:** The 480 persons who applied for work under the TAP Program were separated out occupationally, so that reduced the number of applications that the Civil Service Commission would go to, given the request and the definition of a job by a particular department.

When the mandate for that particular job was defined in my department, and as a result particularly of my activities with the Economic Summit Conference and being a member of the Steering Committee for that, the results from that conference as well as a need for someone who had a knowledge of the impact of technological change in the workplace and labour law, the whole area of collective bargaining, that job description was prepared and it proceeded to the Civil Service Commission where a Mr. Hart was asked to interview appropriate people with a Selection Committee. There were five people interviewed for that position and then the recommendation for hiring . . . ?

**MR. G. MERCIER:** So the more detailed job position was not advertised separately?

**HON. M.B. DOLIN:** No, it was not. The idea with staff, is that these jobs are not advertised separately but application is made to the TAP Program with a job description in hand saying, here's a short-term job that needs to be done. It has some definition as far as beginning and end, and it will take approximately two years under the TAP Program, then the Commission can go to its file of 480 applications and pull those that would be appropriate as far as qualifications of the applicant, and then prescreen those and then go through the interview process, and so on.

**MR. G. MERCIER:** And the position of the senior manager of the Jobs Fund was not advertised separately either?

**HON. M.B. DOLIN:** No, that was not.

**MR. G. MERCIER:** And the other five or so, specific jobs that are in process have not been advertised separately either and this file of applications have been used?

**HON. M.B. DOLIN:** No, they have not been advertised separately. We have an inventory of 480 applicants to which we can go for these positions and that's the whole point of the TAP Program.

**MR. G. MERCIER:** Mr. Chairman, I would think this is pretty unusual procedure. The first advertisement was a very general one and had a deadline date for filing up to October 28, 1982. I would suggest that there are probably a lot of people who would not respond to a very general advertisement like that, but would respond to a more detailed job bulletin with respect to, for example, the senior manager of the Jobs Fund.

I'm asking the Minister if she does not really think it appropriate that the specific jobs should now be advertised, inasmuch as the deadline for filing the application under the general advertisement was the end of October, 1982. During the past six months, I would estimate there are probably people who are available now and perhaps they weren't before when the ad was published and circulated, and there might indeed be a lot more interest in specific jobs from well-qualified people that simply haven't made application under the very general advertisement that appeared last September and October.

**HON. M.B. DOLIN:** First of all, the government or the Civil Service Commission has eligibility lists of all kinds and for a number of different positions. These are not permanent assignments. We were not advertising for a permanent assignment for someone, so I think that's an important point as well. I think that it is also important to note The Civil Service Act, Section 13(6) which says, "The Commission shall establish and maintain employment lists, promotion lists and re-employment lists setting out for various classifications of positions for which, in its opinion, such lists should be established and maintained, the names of candidates for those positions in order of merit and each such list is valid for one year." We are certainly prepared to add to this list of applicants at any time.

**MR. G. MERCIER:** Mr. Chairman, do the individuals appointed under this program work within the individual departments, or do they have their own set of offices set aside somewhere where everyone working under the TAP program is together?

**HON. M.B. DOLIN:** No, they work within the department to which they are assigned.

**MR. G. MERCIER:** Mr. Chairman, why would not the Minister then or the government have simply said, if a department has a particular and specific job which they want done during the course of the year, that will be assessed at the time and will be specifically advertised and people would be hired on term or contract, whatever, after bulletining to do the job. It seems that we're into a description of a program, TAP, a Temporary Assignment Program, that is really not something particularly new, I don't think.

If the Minister, as Minister of Labour, wants a specific job done that arose out of the Economic Summit, then I don't know why she simply couldn't get approval to have that job done by someone and the expenses approved, etc. What is the real need for this Temporary Assignment Program at all?

**HON. M.B. DOLIN:** I think it becomes very clear as these assignments finish. The intent is to develop a pool of senior people, people with senior management capability, who are flexible enough to take on different kinds of assignments. Once a position or a job is done, that person could be re-assigned elsewhere. You wouldn't lose that person just because the task to which they had been assigned in the first instance happened to be complete. You would have their knowledge and their experience to "tap" into - I guess that's a pun.

I didn't mean it that way, but that is exactly the point. You have this pool of senior management people.

There is also the opportunity for people within the government - and I think that the indication I gave you during the previous Estimates with regard to Mr. Ferris is an example of this - to change the task that they are doing. We don't lose those senior management people either, but they are allowed to go on to a different task, to explore a different channel or route, and that kind of expertise that they bring to the job is very valuable to us.

The real point is to develop this pool of senior managers or people capable of senior management in a variety of different ways to have the flexibility to assign and re-assign. That is exactly what these people, the 480 - which certainly, I think, is a sizable number of applicants - people understood in applying for positions within the TAP Program. These people ready to bring their skills to a variety of jobs. Of course, it would be more appropriate for some of the applicants than others, but then we wouldn't lose the talent that they bring to this job.

**MR. G. MERCIER:** Mr. Chairman, are these people permanently hired? For example, if Mr. Scotton's job is finished with the department, is he going to be re-assigned within the department or re-assigned to another department? The same way with Mr. Ferris, would he return to the Department of Education? Is this now a permanent group of people?

**HON. M.B. DOLIN:** The positions are permanent positions; the assignment of the people in them would change. The example you use of Mr. Ferris, would he go back to the Department of Education. Not necessarily at all, unless they happen to have a position for which they wish to recruit him at the end of his assignment with the Jobs Fund. He might go into some other government department, but they are senior management level people. Where they are placed at the end of the task they are doing, or whether they go on to another task that has a beginning and an end, or is seen as a year-long program or two-year-long program, that's open. There is a great deal of flexibility in this program that doesn't exist with straight placement of senior managers within a department, and that is exactly the point. A small pool of senior managers who can be seen by departments as being accessible should they wish to recruit through that group of people for long-time positions after their TAP assignment is finished or into the TAP Program for a short-term position right now.

**MR. G. MERCIER:** Mr. Chairman, moving on to another area. The Annual Report indicates a pilot project for the provision of French language training to 16 existing Civil Service employees, I take it that was in 1982. Could the Minister indicate which areas those people came from, which areas of government?

**HON. M.B. DOLIN:** The 16 people that are involved in the training?

**MR. G. MERCIER:** Yes.

**HON. M.B. DOLIN:** They come from the following participating departments: Labour and Employment

Services, Civil Service Commission, Legislative Assembly, Consumer and Corporate Affairs, Agriculture, Attorney-General, Education and Urban Affairs.

**MR. G. MERCIER:** What was the criteria for accepting those 16 persons? Was it because it was deemed that in their work they would have a likelihood of having to deal in the French language?

**HON. M.B. DOLIN:** Yes. Recommendations were made by the departments and then those people were short-listed, if you will, according to the need and given aptitude tests and placed within two different levels of French language training.

**MR. G. MERCIER:** What is the cost of the program?

**HON. M.B. DOLIN:** The government cost of the program, I can give you cost for two years. I think that's probably what you want - \$12,600 in 1982-83; \$22,800 in 1983-84. That's our half of the cost of the program.

**MR. G. MERCIER:** What sort of training program is that then? The Minister mentions the cost, I take it that's the cost of the instructors.

**HON. M.B. DOLIN:** That's the cost of the people teaching the course, of the facilities for the course, all of the costs of providing this training and that is cost-shared with the Federal Government, so that's why ours isn't very high.

**MR. G. MERCIER:** I take what's not included is the time away from work. If indeed that's the case, how much time is involved in that?

**HON. M.B. DOLIN:** The total number of hours of training is 720. Now, the program is set up, the structure is set up, so that one group - I mentioned earlier that there was a test given and people were placed in one of two groups - one group would attend sessions half-time for six weeks, then the other group would attend classes half-time for six weeks so that there is one group always attending classes, but there is a rotation for a total of 720 hours.

Now, I'm aware from my background in education in French immersion programs and so on, that that particular number of hours is the result of a great deal of research in capability in the French language, or I suppose in any language, but the number of hours of study is generally agreed upon to be 720 hours to make one fluently bilingual. There will be an assessment done over the summer, I believe, when they are taking a break from their studies about whether that is in fact an accurate number for our situation. There will be an assessment done during the summer.

**MR. G. MERCIER:** Mr. Chairman, in how many jobs does the Civil Service Commission require a fluency in French?

**HON. M.B. DOLIN:** The Civil Service Commission has three people in this course.

**MR. G. MERCIER:** No, that wasn't the question. In how many jobs in the Civil Service does the Civil Service Commission require a fluency in French?

**HON. M.B. DOLIN:** I think it's important to point out that this is a pilot project, first of all, but we of course are doing an assessment across the government, if that is your question. There are estimated to be 300 positions in government where there is a need for greeting or meeting or working with the public in the French language, and that is what we're working from, but of course the assessment is ongoing and this is, as I say, a pilot project, so we'll have to determine what kind of training is needed for people in those positions or how much will be done through recruitment of bilingual people and how much they're training. All of the details of that are still under review.

**MR. G. MERCIER:** Well, Mr. Chairman, I think the two are separate. I think, as the Minister said, this is a pilot project which the Civil Service Commission is monitoring and will provide some sort of judgment on later as to how effective it is in teaching people to be able to deliver Government Services in French. The other question is with respect to the number of positions where the Civil Service Commission requires a fluency in French, the Minister has indicated approximately 300.

**HON. M.B. DOLIN:** Thank you for waiting while I got the clarification on that because it is exactly as I thought; the 300 figure doesn't indicate that we have 300 people who need training. Those are the positions, and within that framework we are working with departments and departments are coming forward with information about whether it is best to recruit for those positions or to train and what level of training the people might need. So, it's not 300 people who need training and that's not what we're looking at. In a number of those cases, or a fair number of them I would say at least, and I don't have that figure right now, but we could probably get it, we already have the capability, the person is already in place there.

**MR. G. MERCIER:** That was my next question, Mr. Chairman.

Of these approximately 300 positions that the government has determined, the incumbent should have a fluency in French. How many do have that capability at the present time?

**HON. M.B. DOLIN:** We don't have that figure right now. We'd have to research it and as I say this is in process right now, so we'd have to go back and determine just how many of those positions are already filled with a . . . Yes, the departments are, at this point in time, finalizing their presentations to us, so we'll have that information in a short while, but we just don't have it right now.

**MR. G. MERCIER:** Mr. Chairman, perhaps in the next report, or at the consideration of next years' Estimates there might be some detailed information about that.

I know it's an ongoing concern of the society of Franco-Manitobaine and there were ongoing discussions and negotiations about the areas where. It was felt it was important for the people being served that the person who delivers the service have some ability in the French language.

Perhaps we could have some more detailed information next year when the government completes

these discussions and assessments, and supposedly this pilot project will be over and the government will have made some decision as to its effectiveness.

Perhaps just before committee rises, Mr. Chairman, could the Minister indicate how many leaves of absences have been granted by the Civil Service Commission to persons who wish to go to British Columbia to work in the provincial election?

**HON. M.B. DOLIN:** None. I wonder if the member wanted to go, is that what he's saying?

**MR. G. MERCIER:** Would you give me a leave of absence?

**HON. M.B. DOLIN:** There have been no leaves of absence granted for that purpose.

**MR. CHAIRMAN:** 1.(a) . . .

**MR. G. MERCIER:** Well, perhaps committee could rise at this point until this evening.

**MR. CHAIRMAN:** We interrupt the proceedings. The hour being 4:30, we interrupt the proceedings for Private Members' Hour.

## SUPPLY - FINANCE

**MR. CHAIRMAN, P. EYLER:** We're in the Estimates of the Department of Finance. Does the Minister have an opening statement to make?

**HON. V. SCHROEDER:** Yes, Mr. Chairman, I'll make some very brief introductory remarks.

To assist members, on April 12th I tabled for the second year a detailed expenditure and program information supplement prepared by the departments. This information is being presented in line with recommendations of the auditor aimed at enabling members of the Legislature to deal with Estimates more expeditiously.

In accordance with the suggestion made last year by the Member for Turtle Mountain, the supplementary information booklet was tabled in advance of the commencement of the Estimates. It is hoped that this will have facilitated members of the opposition familiarizing themselves with this additional information.

The supplement which is entitled, "Supplementary Information for Legislative Review" is organized into three parts. The first part includes an organization chart, summarizes departmental responsibility, provides an overview of the financial and staffing requirements and highlights changes from the previous year.

The second part provides program descriptions and details of budgetary requirements.

Part three provides five-year historical comparisons.

This supplement has been produced again on a trial basis to assess its merits in assisting members of the Legislature. I welcome feedback from the members on the usefulness of the supplement, as well as suggestions for improvements.

Returning to this year's Estimates, I can advise that the basic organization of the department is unchanged, but it has augmented by creation of a new Information

Management Division headed by Mrs. Zorianna Hyworon as Assistant Deputy Minister.

An additional increase in staff totalling 36 staff years was authorized by Treasury Board for the Corporation Capital Tax Branch to administer the new health and education tax levy.

The 1982-83 printed Estimates included a total of 338.22 staff years made up of 325.36 permanent and 12.86 term.

During 1982-83 a net total of 55 additional staff years was added to the authorized staff complement of the Department of Finance. The resulting adjusted 1982-83 staff total is 393.32, of which 378.10 are permanent and 15.22 are term. The 1983-84 Estimates include requests totalling 404.22 staff years made up of 395 permanent and 9.22 term, an increase of 10.42 staff years as compared to the adjusted 1982-83 figures. As of February 18th, 1983, there were 371 employees actually on staff as compared to 320 as of March 19, 1982.

Members will be aware of the creation by Treasury Board of a Temporary Assignment Program to provide a small core of executives and senior management professionals, who can undertake a variety of temporary priority assignments within the Civil Service. This new program has been assigned to the Department of Finance for administrative purposes and funding with the majority of costs to be recovered from user departments. The program commenced in '82-83 with identification and transfer of four vacant staff positions. A further three positions are being requested for 1983-84.

I should comment briefly at this point on the Treasury Board and its relationship to the department. There are now nine Ministers on the Treasury Board with myself serving as Chairman; the Minister of Highways and Transportation is Vice-Chairman; The Deputy Minister of Finance, Mr. Charles Curtis, continues to act as secretary to the board; and regular Department of Finance personnel continue to provide the staff support. For this reason separate expenditure authority has not been requested for the Treasury Board for 1983-84.

Further background on the functions and responsibilities of the Treasury Board Department, as they pertain to the government's central management system, can be found in the 1981-82 report of the Provincial Auditor, specifically on Pages 18 through 25.

The members will notice another new appropriation in the 1983-84 Finance Estimates entitled, "Reciprocal Taxation Agreement." This represents our estimate of the province's share for payment of federal consumption taxes under the reciprocal taxation agreement amounting to 4.1 million for 1983-84.

I won't spend time here dealing with the various departmental expenditure figures since they are covered in detail in the supplement. As we go through the Estimates, members will probably want to refer to Part 2 of the Supplement headed, "Detailed Financial Information," which, as I noted earlier, provides substantial information on each of the divisions.

Thank you.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Chairman, I'm disappointed that the Minister has only dealt with some of the

administrative detail in his introductory comments and has said nothing about some of the broader issues that face the province and some of the broader responsibilities which he must carry out within his department, but no doubt we will get into those items as we go through his Estimates. In view of the fact that he has not chosen to deal with those presently, then we'll simply move ahead and go line-by-line.

**MR. CHAIRMAN:** Item 1.(b)(1) General Administration Division, Executive: Salaries - the Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Chairman, one of the things which concerns us and I'm sure it concerns the Minister - it certainly concerns the public - has to do with the size of the deficit. I know that this government, on assuming responsibility for government in November of 1981, said at that time that the projected deficit, which was something in the range of \$250 million at the time, was bordering on being an unmanageable deficit. Now since that time the government have, themselves, presided over a doubling of that deficit to approximately \$500 million and are now projecting an even larger deficit of 574 or 578, somewhere in that range.

So my question to the Minister would be: At what point does he consider that a deficit might become unmanageable? If it was coming close to being unmanageable at 250 million, but at 575 is considered to be appropriate and manageable, could the Minister give us some indication of how he judges that sort of thing, some parameters, hopefully some quantitative parameters of how he goes about making those kinds of decisions?

**MR. CHAIRMAN:** Minister of Finance.

**HON. V. SCHROEDER:** I don't think that one can say at any given time that you take a number and say that's the number that will be the number at which concern will be expressed forever. One must look at what is happening elsewhere. One must look at the revenue you're getting. You look at the provincial product, and you compare the debt on that basis.

The deficit at 578 million is certainly of concern. If we had a reasonable choice, we would prefer to have a zero deficit, but we are told that if we were to take 100 million off by reductions in spending, which is the only way really that we could go at this stage, then what we would be looking at is somewhere in the vicinity of 5,000 direct job losses. Then that entails significant indirect job losses.

I was interested - the other day, I was at a meeting where John McCallum was addressing the audience and he was referring specifically to the point that he agreed that if you have a deficit and you reduce that deficit, then for that particular year, the economy suffers. It does suffer, whether it's by way of reduced spending or by way of increased spending. Now it is true that later on you have to repay it.

I think that when you look at our debt and deficit in some detail, you find that, as compared to other parts of Canada, we are somewhere in the middle. There was a speech given recently by one of the chief analysts

at Moody's, for instance, who was indicating that our direct debt was somewhere in the vicinity of 12 percent of gross provincial product and that's approximately substantiated by our own department. She indicated that in terms of the debt - and she emphasized that there were other components to it as well - but in terms of the factor of the debt, they considered somewhere in the vicinity of 20 percent to be the area where they become quite concerned. Indeed, a number of our provinces are well above that. In fact, according to her estimates, there were only one or two provinces below the number that we have as a percentage.

That doesn't mean that the trend on which we are going is one that is satisfactory or one that shouldn't be turned around. Those who believe in larger deficits in bad times, and if they follow the Keynesian theory through, also have to believe that has to be repaid in good times. Indeed, if what we are into at this stage is a new era; that is, if we are not moving upward; if we are going to be at sort of a stagnant rate in terms of our economy and there is not going to be economic growth over a period of years, then I think that we have to begin to recognize that we're going to have to reduce spending and expectations accordingly over a period of time which means a reduction in the deficit.

We certainly started moving towards that, just for instance, with respect to Civil Service positions. Although, clearly, the Department of Finance is one department that has seen a large increase in staffing. We believe that will be to the benefit of government. We will strengthen government as a result. Overall, there is somewhere in the vicinity of 521 net position decreases in government from 1982-83 to 1983-84. That is at a time when we have increased numbers in specific areas.

We brought in the rent controls and staffing for that, the health and education levy and staffing for that. There were some other programs. We brought in a large number of people whom we used to pay for on sub-contract, the janitor and other services that are now showing as staff-years. So certainly we have started on a program of looking in every direction we can to save money without going so far. We hope that we will affect services to the public. Maybe I could put it in a different way. A \$578 million deficit would, especially if most of it was current deficit, current debt, would have to be considered to be totally unacceptable in times when we are generally considered to be in a boon. I think that would be a disaster for the province because it would be an indication by any investor who looks at it that we are completely out of control.

On the other hand, in a time like we are living in right now, I think that it's about, I believe, the right level, as much as I dislike having to turn around and repay a large increase in provincial debt. The alternative is one that could put us in even a worse economic situation over the next few years if we were to put thousands of people out of work directly. That would translate as well into indirect job losses and declines in the economy and other areas. I don't believe it's something that one can just point a number at.

Incidentally the speech was by Freda Stern Ackerman of Moody's. Just by comparison, Ontario's direct debt they calculate at 9 percent of gross provincial product. Nova Scotia is at 33 percent. So there's a wide fluctuation there and that doesn't mean we're happy

with the number we're at, but we do have to recognize that other jurisdictions are suffering the same kinds of problems.

**MR. B. RANSOM:** Last year, Mr. Chairman, the government's expenditures went up roughly 18 percent; revenues went up less than 9 percent, I believe. How long does the Minister think that kind of relationship of spending increases through revenue increases can go on until we come to a situation where some sort of drastic action has to be taken?

**HON. V. SCHROEDER:** Well, there's certainly no doubt that I would prefer some indication that there is a recovery in order that we won't have to get into a position for next year where we are looking at some exponential increase in the deficit.

I believe that we are rapidly getting to the stage, I don't want to say that it is next year, but I sincerely hope that it is next year, where we will be seeing a beginning of a reduction in the deficit.

As you know, the deficit for this coming year is, and there may be questions as to whether or not the forecast is accurate, but the deficit that we are projecting at the present time is approximately a similar proportion of gross provincial product for the coming year as it was for the last year. So in that sense at least there's some indication of a bottoming out, that the turnaround, I would hope, could come as early as next year in terms of the actual amount of the deficit decreasing. Again I think that we have to concentrate on the current part. The member will, between now and Public Accounts' time, have an opportunity to review the Barber Report when it's finalized. There are some, I think, interesting observations made there.

Again referring to that Moody speech, Ackerman speech, she also indicated very clearly that they view the - in fact, she goes as far as to say that she's opposed to the co-mingling of current and capital funds, and really recognizes the difference between the two, and would like to see them split out very clearly by governments in order that they can see what is really going on there. I think that it would be useful for us to be looking at the deficit from that perspective. That is that about 270 million of it is projected current account deficit, the balance is a government capital account deficit.

**MR. B. RANSOM:** Mr. Chairman, the Minister has on a number of occasions indicated that he believes the deficit problem is primarily one of reduced revenues as opposed to one of increasing expenditures. I have some serious doubt about whether that is the case of not and certainly the future fiscal situation of the province depends very strongly upon just what is the problem here - how important are the reduced revenues and how important is the increase government spending.

I'd like to hear from the Minister on how much of the present situation he considers to be one that, I believe, the present jargon is cyclical in nature, and how much of it is structural in terms of spending which the government is already committed to? I believe that from looking at the Spending Estimates which have been tabled in the House that one will find that there

is actually a 19.2 percent spending increase projected for next year.

Now, I know that's not a figure the Minister uses, but when I look at the first figure that the Minister tabled in the House last year, and I look at the first figure that the Minister tabled in the House this year, I calculate that out to be a 19.2 percent increase. Now that is a very large increase in expenditures.

There are very few times in my recollection when government revenues ever rose in the range of 19 percent. Over the four years of our administration I know that revenues only rose an average of perhaps 10.8 percent. So that we seem to have a situation here where there's a great divergence between the expected growth in revenues and the expected growth in expenditures.

Mr. Chairman, perhaps the Minister would care to enlighten us as to what he sees as the relative importance of the two factors.

**HON. V. SCHROEDER:** Well, I think that I'm going to have to answer part of that later on. I did have some material here that I wanted to refer to that I don't seem to be getting my hands on. But to begin with, for last year we are, other than for debt costs, which were underestimated in the beginning, and I hope that that will not be the case this year. That's one of the reasons why you see a large increase in the debt costs is that we so badly underestimated last year. But the other component of the increase in last year's deficit, in total, was almost entirely, excepting for certainly less than \$5 million, made up of revenue projections that changed during the year from where they had started out.

Now for next year, I don't have the percentage right in front of me as to how we came up with just under 19 or 18 and the member comes up with 19.2, but for next year I will provide a more detailed explanation.

The reason we are expecting as large an increase in revenue as we have projected - there is a number of reasons - one is, for instance the health and education levy, which although it was in effect for nine months last year, only showed as revenue for eight months because you're always one month behind. So, first of all, there is a one-third increase, actually a 50 percent increase there from where we would have been last year. Secondly, there are more people paying it now, first of all, the municipalities, etc. Thirdly, there is the Federal Government paying the full portion now. So that's one reason.

There were other part-year tax increases that would now show on a full-year basis. As well, the tax increases that we proposed in the Budget were proposed early enough in the year for '83-84 to provide us basically with a full 12 months on most of it. I believe that the sales tax, although it's in effect for the 12 months, we don't get a full 12-month effect for '83-84 because by the time you get the payments it's a little bit over. So, it's somewhere between 11 and 11-1/2 months.

Now our calculations are, that there is a 15.7 percent increase in revenue over third quarter projections. The full-year effect of last year's revenue measures accounts for in the order of an additional 55 million over and above actual 1982-83 base. Provision for 16 million in payments from Ottawa under reciprocal taxation and the levy for Health and Post-Secondary Education is also included in '83-84 revenues.

The third quarter statement had been projected revenue of \$2,375,900.00. We are estimating revenue for next year to be at 2,747.8 billion. Netting the adjustments from '83-84 revenue estimates suggests an underlying revenue growth rate of 8.2 percent and that we believe to be consistent with the economic assumptions used to forecast revenues across the country, that is moderate recovery. It is also fractionally below the nominal gross domestic product growth rate forecast by the conference board of 8.4 percent for 1983.

I think I'll just leave it at that. If you have anything further on that I will try and answer you.

**MR. CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Chairman, does the Minister have any indication of what, say 1 percentage point growth in the gross provincial product will mean in terms of revenues to the province?

**MR. DEPUTY CHAIRMAN, H. Harapiak:** Mr. Minister.

**HON. V. SCHROEDER:** I don't think I have the answer but I just want to make sure I understand the question. The member is asking if there's a 1 percentage increase in gross provincial product, whether we get a 1 percent increase in revenue or more or less. I'm going to have to take that question as notice. It may well be that somebody up there has an answer and if so I'd be delighted to give it to the member. It may be that this is one of the areas where we can use some assistance when we have fully developed the quantitative analysis system that was started by the previous government.

**MR. B. RANSOM:** I'm sure that somebody up there does have the answer, Mr. Chairman. For the benefit of those that only look at the written word the Minister is of course gazing to the galleries for staff and not looking for help from the deity.

**HON. V. SCHROEDER:** Not yet.

**MR. B. RANSOM:** However, I'm a little bit concerned about that, Mr. Chairman. I would think that the Minister would need to have a very extensive understanding of how the performance of the economy in the province is likely to affect his revenues, because if the problem is really one of revenues, as the Minister and his colleagues generally want to have the public believe as opposed to a problem of expenditure increases, then certainly this kind of information he needs to have at hand. He would also need to be able to give us, and of course to have himself, some assurance as to what is going to happen in the provincial economy.

What does the Minister see happening in the economy over the next two or three years? I say to the Minister that I believe he is deluding himself if he believes that this is basically a revenue problem rather than a spending problem, because I think he's going to be doomed to disappointment as Minister of Finance as he continues to see those expenditures rise at a percentage that is substantially divergent from the percentage of increase in his revenues, and that the deficit is either going to grow or stay in the range of where it is now and that is a huge deficit.

I believe the Minister said there was something like 270 million on the current account aspect of it, aside from any argument about what distinction one can make between current and operating, and that means that on the current aspect alone the government is going to be facing an interest cost next year of something like \$30 million, perhaps, to carry the cost of this year's operating deficit. That comes to something very close to 1 percent of what the government is spending this year.

So the Minister is automatically faced with that 1 percent increase in his spending just to carry the interest cost on this year's deficit, without ever talking about previous ones, or future ones, or paying any of it off. So I would like it if we could have some assurance from the Minister, some demonstration of understanding of what's really happening in terms of relationship between provincial growth, or lack of it, and the growth in revenues.

**HON. V. SCHROEDER:** Well, Mr. Chairman, let's first of all differentiate between last year's situation where we are saying that what happened between the initial Budget and the end of the year, we are saying that the shortfall there was as a result of revenue losses, as opposed to expenditure going out of control. I don't think that there's a year in the last many years - it doesn't matter which government was in office where - well, I'm sorry, maybe the first year of the previous government, I think, when they were on that restraint kick they may have done as well, but certainly in their last few years, when it came to spending, compared to what they had originally set out to spend. It was certainly higher than what we did. As I indicated, in terms of other than debt servicing, we came within 1 percentage point or so of meeting our spending targets for the year, so it was in that sense a revenue problem because it was the revenues that dropped away on us. We got some readjustments on payments from Ottawa with respect to the equalization payments, established program financing - we took a couple on the nose there - and, of course, the corporate tax was down, personal income tax stayed about the same.

Now, when you talk about this year that would be a different story. We're consciously going out there, given the circumstances, and saying that this is where we feel that we must end up under these circumstances.

I'm sure the member has seen the Financial Times piece on January 17th, which indicates that governments are indeed striving for financial restraint, but "Every jurisdiction" and I'm quoting, "Every jurisdiction except Alberta has managed to keep excess spending to within 2 percent of Budget." They go on to quote Caroline Sylsburly, Vice President of McLeod Young Weir, "This feat has at least won the grudging admiration" - I'm sorry it wasn't a quote. "This feat has at least won the grudging admiration of Caroline Sylsburly, Vice President of McLeod Young Weir." Then she goes on to say, "They will all have to come up with sharper revenue estimates in '83-84 if they expect any more plaudits," and, of course, that is a real problem.

I certainly would be the last to deny that, but we are not, as the member knows, we are not in a position where we are running amok with civil servants all over the place. We have one of the lowest rates of civil

servants per population of any province in the country. Our spending is generally low per capita, as compared to other provinces. We have been able to keep our overall debt over the years down and during the early part of the 1970's it came down to almost nil, in terms of direct debt, and then it gradually moved up starting about 1975 back up. But at this point we are still somewhat below in terms of a percentage of gross provincial product. Our debt isn't quite as high right now as it was in about 1966-67 in there.

So those who are pressing the total panic button, looking just at the numbers, aren't relating back - and that doesn't mean that we shouldn't be concerned, I'm certainly concerned, but let's remember that we've come through periods like this before. Let us also recognize that if times don't turn around that we are going to have to look again at our spending. There's no question about that.

Indeed, Treasury Board has now issued for the year '83-84 new directives to departments asking them to look again, now that they're spending Estimates have been approved, to look again at what, if we were required to change course during this year, they would be prepared to cut, what is their lowest priority item. We intend to be looking at departments individually during the earlier part of the year, some of them more carefully than others. There's one or two departments that will be reviewed closely by the Social Affairs Committee of Cabinet.

So we are looking at that, but in terms of our Estimates on which the numbers were based, we are citing the Conference Board Estimates again of real domestic product showing a 3.3 percent decline in Manitoba in '82, 5.3 percent decline in Canada as a whole. For 1983, we're acknowledging the Conference Board forecasts of real gross domestic product growth at about 1 percent for Canada, and it's about a similar rate for Manitoba as well.

I can't say with precision at this point what a 1 percent increase in GPP for the province means in terms of revenue to the province, but I can certainly say that an increase in GPP means an increase in revenue and conversely a decrease means a decrease in revenue. Now the exact relationship, I wouldn't want to be tied down to at this stage.

**MR. B. RANSOM:** Mr. Chairman, the Minister has repeated one or two things that continue to lead me to believe that he doesn't realize what's been happening. He continues to use the figure of 1 percent of his final Spending Estimates coming within 1 percent.

Mr. Chairman, that is not the case. They may come in within 1 percent of the original Estimates plus the Supplementary Supply, but the fact of the matter is that from the time the Minister first came into this House over a year ago, and tabled his Spending Estimates, to the figure that was presented in his Budget, revised March 31, 1981 projection, he will find that his expenditures are up about 3.1 percent from when he first came in and that revenues from his original Budget Estimate are down about 4.7 percent.

So while the revenue drop is indeed greater, the increase in spending is also a very significant factor. I believe it's over \$100 million that was added to the government spending, after the time that the Minister



came in and tabled his initial Estimates in this House. That is a factor which he is going to have to take into consideration.

What I'm warning him about is the decisions that are already built into the system, that are leading to increased expenditure rates that are greater than what the Minister can expect to flow from revenues. I believe he said if the Conference Board projection for '82-83 was minus 3.3 percent and he's going up . . .

**HON. V. SCHROEDER:** Real growth though.

**MR. B. RANSOM:** Real growth minus 3.3 and it's going to go up this coming year to 1 percent, that's going to mean a shift of 4.3 percentage points, and I believe the Minister said that the underlying growth in revenues, without consideration for new taxes, was somewhere in the range of 8 percent.

So if that's the kind of growth that the Minister can expect to flow from a change of over 4 percentage points in the growth rate, at the same time as we're seeing these kinds of very large increases in spending take place, then what the Minister is faced with is having to bring in new taxes every year in order to try and keep up with the spending and this is what we've seen, of course, for the last two years with the payroll tax last year and this year with the retail sales tax being increased. That's what I simply would want to warn the Minister about, that he should be having a very careful analysis carried out as to what's really happening within the area that he has responsibility for.

He also, from time to time, makes reference to the fact that Manitoba is not doing badly compared to other provinces. It seems to be quite frequently that we hear Saskatchewan, Alberta and B.C. mentioned. I shouldn't need to have to draw to the Minister's attention the fact that Alberta, Saskatchewan and B.C. have much greater resource revenues than does Manitoba. I believe Saskatchewan has something like 30 percent of its revenues which come from resources, and Manitoba has something like 3 percent, maybe even less than 3 percent, that comes from resources. So a slump in the resource industry which we've had over the past year or two is bound to affect Alberta, Saskatchewan and B.C. to a much greater extent than it is in Manitoba. So we really can't take very much solace from the fact that the other provinces are suffering to a greater extent than we are because at least when there is a turnaround, they can expect some significant improvement. Unfortunately, a turnaround in the resource industry in Manitoba will not have that same kind of influence here.

Earlier on, the Minister used a figure. I believe he said that a cut of a \$100 million in government spending would lead to approximately 5,000 jobs being lost. Could the Minister provide some indication to us of how that relationship was derived?

**HON. V. SCHROEDER:** Mr. Chairman, the member spent some time on the 1 percent and 8 percent. I point out that if you have a 1 percent real growth and an estimate of inflation of somewhere in the vicinity of 7 percent, then you would have growth in the economy of about 8 percent.

If you don't want to take inflation into account in the growth of the economy, then equally one shouldn't take

inflation into account in the growth of spending. So either you take the real growth in spending and the real growth in the economy or you take the inflated growth on each one. I would ask you to keep that in mind.

**MR. B. RANSOM:** It doesn't matter. Take whichever one you want.

**HON. V. SCHROEDER:** Obviously, when we talk about the dollars, we are doing them on an inflated basis and, therefore, you have to do the other part of it on an inflated basis.

But the member frequently has referred to this business of my using the number remaining within 1 percent of spending estimates. I would refer him to a press release that he issued on February 10, 1981, and it's headed, "1980-81 Deficit is Down by \$59 million." The fourth paragraph states, "The Third quarter report predicts that 1980-81 expenditures will be \$2,061,700,000, instead of the \$2,073,575,000 that was originally estimated and approved by the Legislature, a decrease of \$11.9 million."

I don't think there was anything wrong with that statement. But, that statement is exactly the kind of statement I've been making which the member seems to find something very wrong with because if you look at the summary of Main and Supplementary Estimates of Expenditure for the year 1980-81, you come up with Main Estimates of \$1,990,915,800.00. He had added in for that press release the Supplementary Estimates that had been approved by the Legislature subsequent to the Budget being presented. Those Supplementary Estimates amounted to \$82,657,400.00. That was the amount that was approved by the Legislature. I think that when people out there listen to what number is being used, that is surely the number that the public is interested in.

Just for instance, last year when I presented the Budget, I made it very clear even on Budget night that there were a couple of items that we knew we were going to have to spend money on that were not included in the Budget. I didn't put any numbers down because we didn't know how much it would be. Later on, we did have Supplementary spending estimates, that is true. We have been basing our calculations on the total amount approved by the Legislature - not just the amount that was done that one night - because all the members of the House knew that evening or within a day that there were additional amounts. In fact, I think the Member for Turtle Mountain may have been one of the people who asked me a question precisely about that the very next day, and I answered saying, yes, there will be additional spending.

Now, we only followed the exact same pattern of referring to what had been approved by this House that the previous government had done. I don't think they were wrong, and I don't think that they were wrong. What I am referring to when I talk about our expenditures, other than the debt costs being within 1 percent of initial projections is, of course, what was approved by the Legislature, just when the Member for Turtle Mountain said that there was an originally estimated approved amount of 2.061 billion, etc. He was referring to the total amount approved by the

Legislature and not just the amount referred to on Budget night. So I think that that's something that would be important to keep in mind.

The member says we're not to look at - he didn't say, don't look at Alberta, Saskatchewan, B.C., - but he makes the point that there are differences because of natural resource revenue. That is true. But even with large amounts of natural resource revenue, the deficits of some of those provinces per capita are significantly higher than Manitoba's. So in that sense - and it doesn't mean that we should pat ourselves on the back, I don't say that - but in the sense that at least we've been able to, with some spending restraints and with some tax increases, do better than provinces who have even now as bad as they have it - they're getting pretty large chunks of revenue, Saskatchewan and Alberta, from the oil wells; Alberta and B.C. from gas. Saskatchewan certainly isn't losing money on its potash; at least in 1982-83, it wasn't. Who knows what will happen in 1983-84. Hopefully it will strengthen and they'll make more money. But they were making money in those areas and even so, were having trouble meeting their obligations because times have been somewhat difficult for all of us.

**MR. B. RANSOM:** Mr. Chairman, I don't think it is especially relevant whatever kind of press release has been put out. One can make a case for almost any sort of presentation. What I am trying to seek is the presentation that leads one to the best understanding of what is happening.

Now according to the Provincial Auditor, when the Estimates are tabled in the House that is supposed to be the best Estimate the government has at the time for the expenditures that they plan to make. There's not supposed to be anything left out that the Minister may know of because that's the figure that the public fixes on immediately.

The government brings in their spending Estimates and they're up 14.4 percent - the Minister said a year ago - but the Minister already has, just moments ago, told us he already knew of other expenditures that he was going to make. That shouldn't be, Mr. Chairman. When those Estimates first come in, that should be the best Estimate that it's possible to make.

Then, subsequently there is a mechanism to come back for Supplementary Supply if the Legislature is still sitting as other expenditures comes up, whether they're floods, or forest fires, or emergency interest-rate relief, whatever, those things come up. But for the Minister to say that it makes sense to base his spending control on how close he came to spending the additional money that had been approved by Special Warrants, could lead to a ridiculous situation. The Minister could bring in one set of Estimates to the Legislature, then bring in Supplementary Supply for another \$200 million and come in below the \$200 million and say, there, what a great manager I am, I came in spending less money than I'd asked for. That wouldn't tell the public, or it wouldn't tell the Legislature anything.

But this is not a great political issue or anything, Mr. Chairman, I'm pointing it out for the Minister's sake, that he should not be misled, that the problem is one only of revenues and not of expenditures, because if he goes back and looks at his original Estimates and

then sees what happened after, he'll find that he actually ended up spending over 3 percent more than he originally asked for.

Now this year the Budget and the Estimates came in at the same time, so this year we have a base that is going to be more clearly understood than we had before where Estimates would come in and then the Budget somewhat later. By the time the Budget came in, of course, there were usually supplementary expenditures being called for by that time. So that automatically tended to confuse the issue.

This year, fortunately, and I commend the Minister for bringing both the Estimates and the Budget in at the same time, we'll have a clear base to work from.

I had asked the Minister a question and I don't believe he answered it, as to the derivation of that figure of 5,000 jobs, or 100 million in government spending.

**HON. V. SCHROEDER:** Mr. Chairman, I have to discuss this business of the Main and Supplementary Estimates again, because there's an implication there that because we knew that there was going to be some spending in addition to what we had proposed, that somehow we were trying to hide some numbers or something like that.

I would take the member back to 1980-81 when there was total spending proposed of less than \$2 billion and on top of that, during the Session, \$82 million added on in Supplementary. Now some of it, certainly, I'm sure, wasn't foreseen. You can have floods, you can have fires, you can have those sorts of things. You had 41 million added to agriculture but you also had 28 million into Finance and you had over 4 million for Highways and Transportation and you had 7 million in Natural Resources.

To compare that, the 82 million, to what we did in total last year, last year was 55 million, although we had started out projecting 2.783 billion. Now, percentage-wise let it be known - and the member knows full well that last year we brought in far far less, well, in actual numbers we came in at 55 million as opposed to 82 million in '81 - and in terms of the Supplementary to the total, the percentage was even more significant than that in favour of what we did last year.

Now I'm sure that somebody must have had an inkling that Finance was going to need an extra \$26 million. Maybe something drastic occurred, I don't know. But in any event we are certainly not attempting in any way to show the figures in a way that would be misleading anybody and this year at this point I can say, gratefully, that I know of no extra spending that is in the works. It may well be that some emergency will come along and we will have to do something and we will see how much our Supplementary Supply will be by the end of the Session.

I would be, I suppose, very grateful if it was zero. At this point again, I know of nothing that would indicate that it will be beyond that in specific areas, but it could jump later on and that in itself is, I suppose, good news and bad news. The good news being that we're not moving so far, and the bad news is that something could happen.

In terms of the 5,000 jobs per \$100 million, that is advice that I have received from departmental advisers when referring to job creation programs. They have

also indicated to me there is an approximate similar equation when you remove spending, and of course it can vary depending on if you spent \$100 million on something that is purely a product hauled into the province from somewhere else and you say, no we're not going to do that, then you're obviously not going to affect 5,000 Manitoba jobs.

If you do something that is completely labour intensive, as for instance, hospital care and those sorts of things where wages aren't as high as they are in some other parts of government, then the \$100 million would probably affect more than the 5,000 jobs. I presume it's sort of an average. I also presume that if we can tie in other levels of government, or businesses and industries into some government spending that we hope to be able to get off with the Jobs Fund, that \$100 million may provide for more employment than 5,000 jobs because it will be tied in and somebody else will put money in and we'll get more jobs out of it.

So it's not something that's guaranteed to produce 5,000 jobs. I suppose you could say that if you didn't pay your fuel bills for a year you might save the 100 million and for a short period of time you could show a saving. But basically all of our spending or most of our spending as the member knows is in areas that are fairly labour intensive - 60 percent of our spending is done by agencies other than this government - and it's only 40 percent that we, ourselves spend. The other 60 percent is to school divisions, municipalities, hospitals and other such organizations. But anyway, that's how we arrived at the 5,000 jobs.

**MR. CHAIRMAN, P. Eyler:** The Member for Turtle Mountain.

**MR. B. RANSOM:** That's a very interesting figure, Mr. Chairman. One can work out all kinds of interesting positions from that figure.

For instance, in the Natural Resources Committee last year, Hydro tabled information showing the capital spending of Hydro from 1972 to 1982 and projections of Hydro spending from '82-92 and they put it all on the basis of 1982 dollars. They said that during the last four years of the Schreyer administration, Hydro had expended \$2.3 billion. During the four years of the Lyon administration, that figure was down to something a little over 700 million, 750 million approximately. So what we are talking about here is between \$1.5 billion and \$1.6 billion that was taken out of the economy or that wasn't flowing into the economy during our period in government, which was being forced into the economy, injected into the economy during the Schreyer administration. That ratio would mean that we are talking about something close to 80,000 jobs.

The members opposite, of course, all during their period in opposition when we were in government, and during the election, made much of the economic performance of Manitoba lagging behind other provinces and, of course, behind the national average. That, of course, is the reason why, Mr. Chairman, one need look no further than the amount of money that was being injected into the economy through Hydro construction in the 1970's, 1973-74 through to 1977 as opposed to the following four years, to see the

magnitude of the problem that was faced in this province in trying to generate offsetting activity.

So I am pleased to have that figure from the Minister because it will give us a bit of a yardstick to go by here. I assume also that, depending upon how much new money is included in the Jobs Fund, we will be able to have at least a rough determination from that of how much additional employment we can expect to see in the province as a consequence of that initiative on the government's part.

Some other questions in this area, in administration and, Mr. Chairman, I wonder if the Minister could clear up how the salary increases have been handled in the departments, how they have been shown in the Estimates. We have had a number of situations where we've asked different Ministers for explanations of some of the really substantial salary increases that have shown up in some departments. The explanations that we have received haven't been just entirely satisfactory, so I'm sure the Minister of Finance could provide us with that.

**MR. CHAIRMAN:** Mr. Minister.

**HON. V. SCHROEDER:** Mr. Chairman, before I do, I should caution the member that when you talk about 5,000 jobs per 100 million, there are certain caveats one puts on that as I was doing in the beginning, and that is that that's an average, and I wouldn't want to leave the impression that Hydro construction is average. I think that it is in fact - first of all, there are tremendous capital costs associated with it, the equipment, a tremendous amount of fuel, tremendous other support costs, the food, the camps, all of those things that had to be built so that the kinds of jobs and the capital expenditures of getting the products out there to build the dams in itself was horrendous. So that the numbers, I think, in that case would have to be looked at independently of ordinary averages.

In terms of the year-over-year salary increases, I think it's a good idea for me to be - I am glad that the member raised that question, because it has been under discussion in a number of other Estimates and indeed there may have been some confusion created. In looking at the year-over-year increase in salaries, one should begin with a brief discussion of the base amount presented for 1982-83. This amount represents the salary amounts specifically voted in the 1982-83 printed Estimates for activities that now make up this department, as well as the allocation received from the \$19 million provided under the Main and Supplementary Estimates in the name of General Salary Increases.

One should be aware that the government does not specifically provide for funds pertaining to salary settlements under individual departments during the years in which those settlements follow Estimates preparation. A contingency provision is made under a separate vote, and transfer of these amounts is authorized under The Appropriation Act. The amount displayed for 1982-83 in these Estimates could actually be less than the amount expended on salaries during the year as a result of funds freed up through expenditure control measures introduced during the year. Funds presented for 1982-83 do provide for annual increments that were expected to be authorized in that fiscal year.

When looking at the changes that occur on a sub-appropriation-by-sub-appropriation basis between the left and the right-hand side, there are several factors that may come into play. For example, the right-hand side may provide for a different number of staff years than the left-hand side; the 1983-84 amount will also provide for the full amount applicable to the settlement as it pertained to 1982-83, even though this amount may exceed the total voted and displayed for that year. It also will include the portion of the salary settlement that pertains to 1983-84 prior to the signing of the new Memorandum of Agreement about a month ago.

The right-hand side will include amounts budgeted for increments that are expected to be authorized in the new year; provision for 27 pay periods rather than the 26 which occurred during 1982-83; plus any change that may be expected in the level of staff turnover in the new fiscal year versus that which was expected at the time of preparing Estimates last year. To demonstrate, I have had staff prepare a reconciliation from the 1982-83 amount to the 1983-84 amount for one salary account, Finance appropriation 074(b)(1). That is the Retail Sales Tax Branch has been used as an example.

As one can see when looking at the left-hand side on Page 68 of the Main Estimates of Expenditures, the 1982-83 adjusted vote is \$2,217,700.00. The right-hand side shows \$2,701,400 for an overall increase of \$487,700 or 21.8 percent. Of this amount, 119,100 reflects the balance of the 1982-83 settlement which was paid in 1982-83 by funds freed up through delays in staffing of vacant positions or expenditure controls measures. This amount represents 5.4 percent of the 1982-83 adjusted vote. A further \$228,000 or 10.3 percent of the adjusted vote pertains to the salary settlement provisions which affect 1983-84 prior to the signing again of the recent Memorandum of Agreement; \$25,600 or 1.2 percent reflects increments budgeted for the new year; and 25,000 reflects the provision for an additional position within this area.

The department is expecting increased staff turnover and has accordingly reduced its budgeted salary amount for that by \$14,000.00. The 27th pay period accounts for \$100,000 of the overall increase or 4.5 percent of the amount voted for 1982-83.

I trust that will assist in comprehending the changes that can be expected to occur between the amounts displayed for '82-83 for salaries, and the amounts budgeted for '83-84.

**MR. B. RANSOM:** Mr. Chairman, the Minister made reference earlier, under Estimates, of interest of Public Debt servicing costs underestimated in '82-83. Could he explain what took place there?

**HON. V. SCHROEDER:** Yes, Mr. Chairman. That was a problem. As I recall it had a lot to do with initial estimates. The Department of Finance had simply assumed a number for a deficit which was considerably lower than where we wound up. In fact, the estimate of the costs had been prepared in the fall and had not been revised by us, and they should have been.

Events subsequent to preparation of the estimate - first of all, the 1981-82 deficit ended up at 251 million rather than the 219 million. So we lost some money

there in terms of there would be extra interest costs there. The 1982-83 deficit was at that time projected to be in the range of 200 million; that's in July of 1981, and it just a preliminary estimate by the department. Later on, of course, it was revised to 343 million including the Budget and the extras. Now it is estimated at 495 million, so that certainly had a change on it.

Also, the '82-83 Sinking Fund allocation was originally estimated at 50 million and then was revised to 70 million later on. So there was a \$20 million miscalculation - I shouldn't say miscalculation - change in calculations later on.

The '83-84 deficit for '83-84 estimated at the current - the deficit for this coming year is based on an estimate of 575.5 million. It's several million dollars short of where we came in. That amounted to \$70 million there.

**MR. B. RANSOM:** Mr. Chairman, what role does Mr. Cherniack play in terms of an advisor. A year or so ago, he was an advisor to the Minister. Does he still perform that role?

**HON. V. SCHROEDER:** Not so much now. He, as the member knows, was one of the people who was involved in the turnover of government between the two governments. He had been a senior member of the Schreyer Cabinet for some time. When we came into office I did consult with him on a number of occasions and he did assist us in a number of items, including some financing. At this stage, the consultations aren't as frequent, but certainly there are telephone calls with Saul, and with Saul Miller as well.

**MR. B. RANSOM:** What sort of advice would he get from them, from Mr. Cherniack? Is it specific advice concerning issues of bond issues, pricing of them, when to go, where to go? What sort of advice would the Minister be getting?

**HON. V. SCHROEDER:** Mr. Cherniack never presumed to be in a position to tell us when to go to market or where to go to market. He always indicated to me that I ought to have a fair amount of faith in the people who had been in that department, many of them now in their fourth or fifth administration, and they are career civil servants who do a very good job.

On the other hand, he did advise, discuss, with me closings on several occasions. In fact, he negotiated one closing for us entirely on his own in Zurich, Switzerland. That was partially by accident. He was meant to be there, I was meant to be there, Mr. Curtis was meant to be there; but the weather prevented us from doing so, and we wound up doing our side of the negotiations from a telephone booth in an airport.

It worked out, and it was thanks to Saul that we didn't experience any delays, and he did a good job. His experience as Finance Minister certainly came in handy. It made me confident that what was going on was being done correctly, and I think that it was an investment that was well worth its while for the people of Manitoba.

**MR. B. RANSOM:** Mr. Chairman, would the Minister have not been confident that what was going on was being done correctly without the advice of Mr. Cherniack?

**HON. V. SCHROEDER:** Mr. Chairman, I wouldn't have been as confident then as I am now. You know, when you start new with a whole group of people you tend to have to develop that confidence. I believe I have certainly now developed that confidence in my staff. I don't say that I ever lacked confidence but I felt better the way things were.

Indeed, on another occasion I believe that it was some bargaining by Mr. Cherniak that reduced a rate of a loan over its lifetime by, I would say, several hundreds of thousands of dollars; admittedly a very small reduction in an interest payment that was being demanded by a lender, and he was the one who felt that there was room for further negotiations and indeed he was correct. So from that perspective, I believe he did a very, very good job for us.

**MR. B. RANSOM:** In this case then, Mr. Chairman, he was able to negotiate something that the staff were unable to achieve?

**HON. V. SCHROEDER:** I would say that - you know, there were discussions with staff - he was present. My recollection of it is that he was the first to suggest that we move to getting a further reduction in the premium.

Staff - I'm not saying staff wouldn't have come up with it; I don't know. Certainly, staff then did exactly what was expected of them and did a very good job of it. They may well have done it without him; I don't know. I do know that his advice was something that was of benefit to me. I believe it was a lot of benefit to the people of Manitoba.

**MR. B. RANSOM:** Mr. Chairman, as Chairman of Treasury Board, does the Minister have influence on the salary settlements in Crown corporations?

**HON. V. SCHROEDER:** I do now. As the member is aware, over the years Crown corporations viewed themselves as being quite independent of government, and I might say, not only Crown corporations, but also hospitals and organizations that are 100 percent funded by the province. We have, in the last number of months, spent some time trying to get some kind of handle on what is going on out there, because all of the settlements until December and some after that, were made without the requested approval of Cabinet or Treasury Board. I believe that on either January 12th or 19th, the Treasury Board issued a letter to all Crown corporations and Agencies requiring that from then on no offers be made to any employees, or people they're bargaining with, with respect to wages and salaries without those offers first being approved by Treasury Board.

Now we have since then, managed to set up several people from the Civil Service Commission and with their assistance, we've developed some guidelines which allow them to give that kind of approval, so long as wages are coming in at levels that can be justified. But certainly we were concerned that at a time when we were asking for renegotiation of our own contract with our employees, we were seeing some settlements coming in, quite frankly, I felt were inappropriate for the times. I think that some of the settlements that have come in since then, justify the setting up of the operation in the way we have.

**MR. B. RANSOM:** Did the Minister, in his capacity as Chairman of Treasury Board, approve the McKenzie Seed settlement, which I believe, was in excess of 13 percent?

**HON. V. SCHROEDER:** No, I did not, Mr. Chairman. That settlement and settlements somewhat similar to it were what triggered off the demand by Treasury Board that some mechanism had to be found. That doesn't mean that in retrospect I would totally condemn any particular settlement or say that it's too high or anything like that. I think you look at each individual case and 13 percent for them on a dollar basis is very insignificant compared to 10 percent for some of our own employees, because on a scale of wages, they're relatively low, but it still was certainly a matter of concern that that kind of number was flashing out there as being something that the government was associating itself with.

**MR. B. RANSOM:** The Minister said earlier that there had been some inappropriate settlements and I gather then, from his comment, that Treasury Board had not approved the McKenzie Seed settlement, but had moved to impose some guidelines soon after. Is that one of the settlements then, that the Minister would have characterized as being inappropriate for the times?

**HON. V. SCHROEDER:** Mr. Chairman, I would have to say that settlement caused a fair amount of concern. It's a company that we didn't, admittedly, because we didn't approve or disapprove it. We didn't have the facts before us. We only heard the numbers. We knew the history. You and we all know that that company sometimes has lost money and you know, those kinds of things have to be taken into account in a public-sector employer, as well as a private-sector employer, and certainly that settlement wasn't something that made us not want to go ahead with some form of overall monitoring of what's going on there.

**MR. B. RANSOM:** How much freedom then, do the Crown corporations have now, Mr. Chairman, to bargain? Do they see themselves as not being able to proceed with free collective bargaining? Does the government give them a figure and say, you can't go beyond this, or does the government say, we want to review each offer that you propose to make and that before a new offer goes on the table, the Treasury Board has to approve it? How does it function?

**HON. V. SCHROEDER:** Generally, Mr. Chairman, what happens is that our people from the Civil Service Commission have had meetings with the bargaining people from the various Crown corporations and other agencies, hospitals that get all their funding from government, and have indicated to them that there are certain guidelines, in terms of amount of money that is the maximum, that we are, in general, prepared to pay out. We're not totally inflexible depending on the case, and if they come within those guidelines, however they set them up, and then that's the end of it. We are not involved in contract language. We're not involved in those other things, but in the area of what costs money - yes.

It is, after all, the members of Treasury Branch and the Treasury Benches of the government that have to

find the money in a lot of cases for Crown corporations. Certainly the government is the one that starts off the operations in the first place, so we feel in a time like this, we have to be careful. I'll give you an example, and I'm sure the member's aware that in some corporations, a payment for some expense of an employee may be a very, very small portion of their total cost. You might have a Crown corporation where you have two or three people out of hundreds driving a car for the Crown corporation. Now if that particular Crown corporation decides, as sort of a throwaway to increase mileage costs for their employees by 10 or 15 or 20 percent, it's a minimal cost to them and that may be something that can get them settled on the table. But what it does, is put us in an impossible position with the next group that comes along and says, well, they've got it, and you say, well, there's only three people involved, and they say, each one of us is one person and we want the same thing. So there's a certain amount of that kind of thing, all with one employer, all basically with the taxpayer as an employer, so we are trying to rationalize in some way and at a time like this, I think that's an appropriate response.

It does mean, yes, that we are having to meet more often. We're having more meetings and lengthier ones, but so far I think it's worked out well. We've had some settlements under the new guidelines and we're hoping to maintain that. I think it's something that we just had no choice but to do, if we believe in the notion of free collective bargaining. If it was to get out of hand at this point, it would be a terrible signal to be sending out there to the rest of the people who are suffering badly.

**MR. B. RANSOM:** The Minister has expressed concern about a situation, an example he used where two or three people out of 100 might be driving cars and they get some sort of concession and that established the ground rules. I suppose that conversely, any action taken by the government would also have the similar effect on bargaining in the Crown corporations. Can the Minister advise then what directives he has given to Crown corporations with respect to salary settlements, or with respect to layoffs, for instance? The government has negotiated a no-layoff contract. Does that now mean that every Crown corporation must follow that same policy and there must not be layoffs there, or in the hospital system that there must not be layoffs?

**HON. V. SCHROEDER:** No, Mr. Chairman. As the member knows, there is a real difference between what happened within the government and out there. The difference is that we had a contract which, for the last 12 months of it, would have provided a payment of inflation plus one-and-a-half. We renegotiated it and for the first three months, rather than 10.3 percent, there is a 0 percent increase for civil servants in the province.

They also agreed, at the end of this year to go for a further three months with no further increases and then for a further three months after that, with a 1.5 percent increase. That, incidentally, was on the basis that it's a dollar number rather than percentage, so everybody gets the same number of dollars at that time.

So over an 18-month period, which is the period of that agreement, we wind up doing several things, one of which is, obviously we save money in the first three months. For next year, without that agreement, we would have been in a position on March 31st, 1984, of having no agreement. Now you might say at that time, we should have given them nothing - that sounds good for those who are suffering out there - but you have to look at the practicalities of that if there is no kind of atmosphere out there conducive to that sort of settlement. You don't bargain in a vacuum.

When we started this bargaining, we were bargaining in an atmosphere where the MPIC had settled under the previous government in the fall of 1981 at 14 percent. The doctors had voluntarily gotten a contract reopener from the previous government bringing it from under 10 percent to 15 percent for their settlement. We had about a dozen school divisions who had settled two-year contracts before we settled - we weren't the leaders - that were approximately similar, somewhere between 12.5 percent and 13.25 percent on the first year which, on a dollar basis, gave employees more last year than civil servants because they get more money; and for the second year, inflation plus 1.5, a dozen school divisions had done that. There were others who had settled, I believe the Municipality of Portage la Prairie.

Now we came along in that context and settled an agreement in the spring of 1982 when we were being told that the recession was over. Time Magazine, the investment dealers, a whole pile, federal economists were saying that. That was what was being said at the time and those were the kinds of settlements that were coming down the pike. Now, of those groups I've listed, you haven't seen the school divisions renegotiate. You haven't seen the municipalities renegotiate, but you have heard the City of Winnipeg, for instance, say, they'll give their employees a no-layoff contract. The mayor has already told the people working for the City of Winnipeg, they don't have to worry about layoffs without that three months of zero.

We are the first public sector employer out there in Manitoba with the signal out for next year, that we're looking at 2 percent for the first six months because I was talking about the 1.5 percent after three months, and I should mention, there's about .5 percent on payroll costs for the long-term disability plan. Now that's something for those who were missed this year.

When we are discussing contracts with people who haven't negotiated a contract for 1983-84, we can very simply tell them, and we do tell them, that conditions have changed. Look at our deficit, the projection we had then for the coming year, look at where it is now.

Look at what's happening out there in the rest of the world. We are not prepared to say that just because we settled an agreement a year ago, that those conditions should exist now, that we will settle agreements on the same terms and conditions. So we're saying that times have changed, we believe in the free collective bargaining process. That is why we didn't introduce legislation rolling back people legislatively. We refused to do that. That doesn't mean we think that people can get whatever they might want in times of recession. We felt that we had to be as careful as possible in terms of what we're prepared to pay out.

So back to the Crown corporations, we can't, in looking at a new contract, look at a no-layoff clause

without getting something that will give us money in return. I think that's something that would be negotiable. I think it's something that we would love to have everybody have, but the circumstances here are entirely different. So I wouldn't want to compare the two.

**MR. B. RANSOM:** Are hospitals and Crown corporations then, such as MTS and Hydro, free to lay off people either for a short term or individual people on a permanent basis? Does that follow then from what the Minister has just said?

**HON. V. SCHROEDER:** Yes, Mr. Chairman. Unless they have something negotiated in their contract, then that is clearly the case. For example, we've been laying people off regrettably at The Pas and those things will happen. If MTS discovers new technology and doesn't require the services of some employees, then there is no question that in some way or other there will have to be a reduction in employees and again, here we got something in return.

**MR. B. RANSOM:** Who then, Mr. Chairman, interfered with the plan that Manitoba Telephone System, I believe, was putting forward a few months ago to have some temporary reductions in a period of time worked, layoffs, whatever you wish to call it, and somebody in government rejected that, took that prerogative away from Manitoba Telephone System even though the Chairman of Manitoba Telephone System, Mr. Miller, a former NDP Cabinet Minister was publicly on record as favouring the action that was recommended by the Telephone System?

**HON. V. SCHROEDER:** Mr. Chairman, I should say that it was in the days before Treasury Board took charge of negotiating, and I should also say that at the time that occurred I was out of town - I know that the Premier was out of town - so I don't know exactly what took place there. But I do understand that the concern was that they not have a large deficit. Since that plan had been brought forward, I believe in fact that it has been turned around. The MTS has been able to at least reduce the deficit by at least as much as they were expected to.

**MR. B. RANSOM:** Mr. Chairman, the Minister has indicated that perhaps if he'd been in town, those sorts of settlements wouldn't have been made. I wonder if it's any sort of coincidence at all that both of those settlements, which the Minister of Finance seems to be taking exception to, were carried out by corporations under the responsibility of the Minister of Community Services who at the time had responsibility for Manitoba Telephone System and for McKenzie Seeds, and I believe that the Minister of Finance would have applied the term inappropriate certainly to the McKenzie Seed settlement, and he has now given us a pretty good indication that this was why the Treasury Board moved in to impose their guidelines on what was happening, because there was such a mess being made of negotiations under the responsibility of individual Ministers.

**HON. V. SCHROEDER:** Mr. Chairman, I indicated I was out of town, and the Premier was out of town, to indicate

that I really didn't have the information on that. I wasn't involved with it. I didn't pass a comment one way or another; and in terms of McKenzie Seeds, I very clearly said that without any knowledge of the background whatsoever, just the number itself, is one that would concern anyone. Now, there were certain mitigating factors in that particular case and these corporations are doing — (Interjection) — yes, as the member says, the wages were very low, and indeed now there's an indication that we may be looking at a profitable corporation for that year and for years to come.

**MR. CHAIRMAN:** Order please. The hour is 4:30, time for Private Members' Hour. The committee will resume at 8:00 p.m. tonight.

## IN SESSION

### PRIVATE MEMBERS' HOUR

#### RES. NO. 8 - APOLOGY TO U.S. FOR DEMONSTRATION

**MR. SPEAKER:** Order please. The time being 4:30, Private Members' Hour, the first item on the agenda for Monday's Private Members' Hour is Proposed Resolutions. Assuming the House wishes to hold Resolution No. 1 - Resolution No. 8 - the Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Speaker, I move, seconded by the Honourable Member for Fort Garry:

WHEREAS on Wednesday, March 23, 1983, the Deputy Premier and Minister of Tourism and Economic Development Muriel Smith, MLA for Osborne; the Minister of Natural Resources A.H. Mackling, MLA for St. James; and other members of the NDP Government caucus, namely: Phil Eyler, MLA for River East; Harry M. Harapiak, MLA for The Pas; Elijah Harper, MLA for Rupersland; Andy Anstett, MLA for Springfield; Don Scott, MLA for Inkster; and Gerard Lecuyer, MLA for Radisson, participated in an anti-American demonstration in front of the United States Consulate in Winnipeg, staged in support of the Marxist government of Nicaragua and ostensibly to protest alleged United States military involvement in Nicaragua; and

WHEREAS the flag of the United States of America was burned during the course of this demonstration; and

WHEREAS the Premier of Manitoba and the NDP Cabinet and caucus clearly sanctioned the participation of its members in the demonstration; and

WHEREAS under the Canadian parliamentary system, Cabinet Ministers speak for the government and represent the people of the jurisdiction they serve, and cannot divorce themselves in their public activities from that representative responsibility; and

WHEREAS the Premier of Manitoba has refused to tender an apology on behalf of the Government of Manitoba to the United States Consul General and to the Government and people of the United States of America for these unprecedented, unfriendly and insulting actions by members of the Executive Council and New Democratic Party Government caucus of Manitoba, who freely associated themselves with such anti-American activities; and

WHEREAS the aforesaid anti-American activities by the New Democratic Party Ministers and caucus have seriously damaged the good will which has traditionally existed between the people of Manitoba and Canada and the people of the United States of America and have caused embarrassment to the people of Manitoba;

THEREFORE BE IT RESOLVED THAT, because of the refusal of the Government of Manitoba to apologize, the Legislature of Manitoba hereby tenders to the Government and people of the United States of America its apology and regret for the irresponsible, inexcusable and insulting anti-American activities by members of the New Democratic Party Cabinet and caucus; and

BE IT FURTHER RESOLVED THAT, while recognizing that such activities do not represent the thinking and beliefs of the people of Manitoba, this Legislature reaffirms the friendship and mutual respect which exist between the people of Manitoba and the people of the United States of America.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Speaker, I believe that I speak for the vast majority of Manitobans, Sir, when I say that I regret the necessity for such a resolution having to be introduced into our Legislature. It stems, Mr. Speaker, as the resolution states, from an anti-American demonstration held on Wednesday, March 23rd of this year. That demonstration was participated in actively by two members of the Executive Council and at least six members of the NDP Government caucus, as the resolution sets forth.

Mr. Speaker, I know that there has been some shilly-shallying, some attempt on the part of the First Minister to escape responsibility for his knowledge and for his concurrence in the participation of Cabinet Ministers and members of caucus in that demonstration. But, Sir, I think the record is clear and the record was made clear by the Deputy Premier of the province in the Winnipeg Free Press of some two days later when she said and I quote, "Smith said she spoke at the protest at the request of Pawley and was acting as his spokesman. She said she had consulted with the Premier and the protest had been discussed by caucus." Well, Mr. Speaker, she now says that the First Minister of the province had knowledge of her presence and the presence of the Minister of Natural Resources and of the other caucus members at that unfortunate demonstration.

The First Minister then in another moment of sidestepping said to the press at his press conference - I believe it was a week or so ago - that the Ministers in question, that is his own Deputy Premier and the Minister of Natural Resources, were "naive and showed a lack of judgment." Not, Mr. Speaker, for their participation in the demonstration but because the demonstration, said, he was held on the consulate steps. Well, Mr. Speaker, does he truly expect anyone in this House or anyone in Manitoba to believe that he didn't know where the demonstration was being held!

Well, Mr. Speaker, then along with one or two apologists, the typical apologists for this government,

who sometimes appear in print and elsewhere, the First Minister bemoans the fact that the opposition, our party here in the Manitoba Legislature, and indeed in Ottawa, even talked about the incident.

Well, Mr. Speaker, I don't know what kind of a private left-wing ivory tower the First Minister thinks he's living in, in this province, but I hesitate to tell him because he should know this, that one of the great jobs of the opposition is to call to the attention of the people of the electorate of this province the errors and omissions, and the intemperance and incompetence of government ministers and the government acting collectively, and, Sir, in this issue that is all we have done.

Mr. Speaker, all of that, Sir, against the background of a note that has been sent by the Embassy of the United States to the Department of External Affairs at Ottawa. The First Minister would have the House and the people of Manitoba believe that if the Conservatives would just stop talking about this incident it would all disappear. Well, Mr. Speaker, I have reason to believe, and you will, Sir, after you've heard this note, which by the way, for the record the First Minister would not table in the House.

**TABLING OF DOCUMENT**

Mr. Speaker, here I'm going to table the note that was sent by the United States Embassy to the Department of External Affairs, and it read in part as follows. "On March 23rd a demonstration took place at the Consulate General of the United States of America at Winnipeg. During the course of this event a United States flag was burned. Two Ministers of the Government of Manitoba participated in the demonstration.- the Honourable Muriel Smith, Minister of Economic Development, and the Honourable Al Mackling, Minister of Natural Resources. Ms. Smith addressed the crowd from the Consulate General's steps with an attack on the United States. The United States must protest strongly the participation of Ministers of the Government of Manitoba in this event, which clearly gave it an official character, and would appreciate assurances that such official support of hostile demonstrations will not be repeated."

Mr. Speaker, I table that note, in this House, because the First Minister would not do so. I think it's an important part of the record to put into proper focus how important this matter has become.

**RES. NO. 8 - APOLOGY TO U.S. FOR DEMONSTRATION Cont'd**

**HON. S. LYON:** Well, Mr. Speaker, that is the note from the United States and in effect the First Minister blames the opposition for blowing the issue out of proportion. Canada is now responding to that note. Indeed if we can believe the news reports of the weekend, a response has gone to the United States Government on behalf of the Government of Canada.

Mr. Speaker, in my memory totally unprecedented that the Government of the United States would find cause to complain formally to the Government of Canada about the actions of New Democratic Party Ministers in this province, totally unprecedented.

The First Minister, Mr. Speaker, seems to live by some tortured reasoning to the effect that it's okay for his



Ministers to participate in anti-American demonstrations, but not if those demonstrations are held in front of the Consulate, and furthermore, Mr. Speaker, not if you get caught. Because if you get caught, Mr. Speaker, then of course he'll leave you hanging in the wind as he has the two Ministers who were involved in this demonstration in the first place.

The First Minister then tabled in this House, Mr. Speaker, a response that he sent to the Minister of External Affairs on the receipt of the American note. I can only describe it, I think, in a kindly way, Mr. Speaker, as being insipid, devoid of courtesy, devoid of sensitivity, or even demonstrating the barest understanding of how the greater interests of Manitoba and of Canada can be adversely affected by slavish adherence of this NDP Government to the sloganeering and the left wing shibboleths of the Socialist Party of Manitoba.

Mr. Speaker, I remind the First Minister that the Socialist Party of this province, that he leads under the name of the New Democratic Party, is now the Government of Manitoba, and as such must deport itself collectively and its individual Ministers and Caucus members, as a government, not as a mere responsible collection of rabble of the left.

Mr. Speaker, the Premier has answered this kind of comment by saying that of course the Leader of the Opposition, I have become the chief target of his abuse and his only answer is a sloganeering one, red-baiting.

Well, Mr. Speaker, it wasn't anybody on this side of the House who walked in front of the US Consulate and who made themselves unfriendly to the United States of America by so doing. It wasn't anybody in the Conservative Caucus who a month ago voted \$7,200 of taxpayers' money to the Marxist Symposium at the University of Manitoba, Mr. Speaker; it was the NDP Government of the left. It wasn't anybody on this Caucus, Mr. Speaker, who gave a grant to the Salvador Allende Society of Manitoba, it was the NDP of the left, and on and on one could go.

So, Mr. Speaker, on the first possible occasion we asked the Acting Premier and then the Premier himself to apologize for this action by the Ministers and he refused, and he continues to refuse and hence, Mr. Speaker, the unfortunate necessity for this resolution. Indeed when the organizers of the same demonstration of March 23rd announced that they would sponsor a second demonstration, this time at the Free Press building, the Premier of the province is reported as saying that it was up to individual Ministers to decide whether to go or not.

Well, Mr. Speaker, that only adds corroborative evidence to the statement and to the posture that we all know, that this First Minister does not lead this government, this First Minister does not lead this province. This First Minister is the Leader of the New Democratic Party, period, paragraph, and is slavishly attending only to the chivalrous of the left, rather than to his sworn responsibilities as a First Minister of the Crown in this province.

It indicates again, Mr. Speaker, the inability of this so-called government to recognize its responsibilities as the representatives of all of the people of Manitoba, not merely that narrow sliver of apologists for the left, or for communism, or for Marxist Leninism, or for one state governments of the left wherever they may exist.

Not for those people who form, regrettably, a disproportionately strong voice in the councils of today's NDP in Manitoba.

Mr. Speaker, before the First Minister, who just happens not to be in the House at this time - before he gets himself into his little wet hen posture again and starts talking about red-baiting, let me remind the House as I did some two weeks ago, that the statements that I have just made about the disproportionately strong voice of the left, and of the radical elements within the NDP is not my statement. No, Mr. Speaker, I can call for evidence such outstanding members, former members of the NDP, as the former Deputy Premier, Sid Green, who's now the head of the Progressive Party of Manitoba; the former President of the New Democratic Party of Manitoba, Frank Syms; two other former colleagues of Mr. Pawley who left to join the Progressive Party because, as they said, they broke away from the NDP precisely because it was becoming too radical, too much under the control of hard-core leftists, and subject to the whims of the leadership of the Manitoba Federation of Labour.

So, Mr. Speaker, if there's any red-baiting going on I suggest that the First Minister look in the mirror, look to some of his former colleagues who have broken away from his party for precisely that reason just as the Social Democratic and Liberal Party members have broken away in Great Britain for the same reason because the Labour Party is being taken over by the hard core in that country and that the left foot who's leading that party does not represent the thinking of moderate Socialists anywhere in Great Britain.

So, Mr. Speaker, what are the effects of this demonstration in which members of the government, members of the ministry, and members of the backbench took part? Well, first of all, as I've mentioned in an unprecedented way, the Government of United States has seen fit to send a note of strong protest to the Government of Canada. That by itself is significant.

Secondly, and perhaps even more importantly, it has aroused bad feelings between the citizens of our two countries. Mr. Speaker, our American friends, some of them don't understand how an ally and how a friend such as Canada can take such action, anti-American action, against them. Mr. Speaker, I'm happy for one small matter that has occurred in the course of this debate and that is that the two Ministers in question have disassociated themselves from the flag burning and that is to their credit. But that leaves unanswered and begs the question as to why, as members of Cabinet, sworn members of the Cabinet in our parliamentary system, they were there in the first place?

Mr. Speaker, flag burning has only highlighted the inappropriateness of the presence of the Ministers of the Crown at that demonstration. What are some of the other areas that are already beginning to receive small ripple effects from this unseemly demonstration in which this government not only actively participated, discussed in their caucus and decided to participate in with at least eight of their members? Well, Mr. Speaker, tourism, because tourist operators are now beginning to question, and you've heard it, Sir, and I've heard it, and the press have heard it, what kind of an impact this is going to be having on Americans of goodwill who want to come to Manitoba?

I've seen a letter that the First Minister received from some people in Saskatchewan who said that they've been holidaying in Manitoba for the last number of years, they and friends, and that because of the actions taken, because of the failure of the Premier of Manitoba to apologize for this anti-American participation of his colleagues that they are no longer going to holiday in Manitoba. They said this is just a small indicator and action on our part; it probably doesn't mean much, but we want to let you know that we will not willingly go to a province that espouses that kind of left-wing ideology. Mr. Speaker, that's going on in Manitoba at the present time; it can have an adverse effect upon tourism.

The Garrison discussions are ongoing and they're crucial to the Province of Manitoba and, as we've said before, without worrying the issue, it is totally inappropriate now for the present Minister of Natural Resources to head any delegation that goes to Washington with respect to Garrison because in many ways he has made himself persona non-grata to the American Government because of his irresponsible participation in this matter. And yet the importance of Garrison is beyond anything that could be accomplished by his parading up and down like a common picketer in front of the U.S. Consulate.

Mr. Speaker, commercial relations between our countries, between individuals within our countries, can be adversely affected. Seventy percent of our trade, after all, is done with the United States. Did the Ministers not think of that when they were parading in their anti-American demonstration in front of the consulate? I remind the First Minister and the New Democratic Party, the Socialist Government of Manitoba, that we depend in this country upon the United States for our defence. That's a thought that may not have crossed their minds when they were walking in front of the U.S. Consulate either.

The early warning stations in Northern Canada are jointly manned, or used to be jointly manned, against whom? Against the Union of Soviet Socialist Republics. Not against the United States, in front of whose consulate they were marching the other day. Mr. Speaker, we know on this side of the House, the people of Manitoba and the people of Canada know, that Cuba and its fast becoming client state of Nicaragua, represent a real and a present threat to the southern security of the United States of America and to the extent that they've threatened the United States of America by lending themselves as potential missile bases for the USSR, they are in turn a threat to Canada.

Mr. Speaker, I don't think you have to be red-baiting. I don't think you have to do anything with respect to the real politic of the world that we live in, except to understand those basic facts of life and to think of them before you engage in anti-American demonstrations in front of the consulate or anywhere else.

Mr. Speaker, it's in our interests, as well as the interest of the United States, to acknowledge who the real enemies are and who the real friends are that we Canadians have, as we draw near to the 21st century on this continent.

I would remind my honourable friends opposite, who have such bleeding hearts for the individual rights of citizens in Central America that there were one-half

million or more citizens of Central America, that is, citizens of the Carribean, who were refugees and who fled Cuba only three to four years ago for freedom in the United States. They might be able to give some lesson to the Premier of Manitoba and to his colleagues about what freedom means and about who the enemy of the United States is on the southern flank of that country. And so can the people of West Berlin, Mr. Speaker, if the my honourable friends opposite ever choose to think of the people of West Berlin who daily look at a wall, meant to keep East Germans out of the west, not vice versa. Surely to heaven in this day and age we don't have to read a kindergarten lesson, or do we, to the radicals of the New Democratic Party left, to tell them who are the real friends of Canada and who are the real enemies of our country. You don't have to do it in the armed forces. Why do we have to do it in an elected Legislative Assembly in this country? Mr. Speaker, I say to the Premier and to the government of this province, acknowledge these facts of life of the real world and act accordingly after you have acknowledged them.

Sir, no one is suggesting either in this resolution or otherwise that we must be cringing and meek and unwilling to stand up for our true national interests. No Canadian ever accepts that role. We will continue to discuss and to negotiate such matters and discuss and negotiate them hard, such matters as Garrison, acid rain, air fare treaties and countless other matters that make up the day-to-day life between our two great nations. We'll do that, I hope, with the full vigour of our governments, knowing that on such matters we have a valid, national Canadian position which demands recognition and demands resolution.

Mr. Speaker, let no one in the United States have reason to feel that we do so in a mean-spirited way, such as was manifested by that demonstration on March 23rd; or that we leave the impression that Canadians are unaware of those strong, interwoven ties of mutually shared respect for real individual freedom and democratic government, that feeling that exists between the two countries and the two peoples. Let us, by this resolution, reaffirm the majority opinion of Manitobans in support of our historic friendship with the United States.

My final word, Sir, is this. We all know that using the procedural matters that are available to anyone in this House this resolution can be amended. It can be distorted from its original purpose by the government majority. They can do this but, Mr. Speaker, it won't mean the same. I call on the government to show its better side, if indeed it has a better side, to join with us in passing this resolution.

Mr. Speaker, this debate is being watched in Canada and in the United States. The resolution has been read into the Hansard of the Senate and the House in the State of North Dakota already, and I know that it's known in Washington. Let us demonstrate, Mr. Speaker, to all, the true feeling of Manitobans by passing this resolution in its present form and putting this unfortunate matter behind us once and for all.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. M. SMITH:** Mr. Speaker, I rise then to speak on the resolution that calls for an apology for speaking

out, I might say, on American foreign policy and not against Americans. I would like that difference to be noted.

Mr. Speaker, I want to share with you and with the House some reasons as to why I believe speaking out is an important thing for me to do and for a Minister in our government to do.

Mr. Speaker, I grew up at a period of time similar to many members opposite, but particularly the Leader of the Opposition, a time when war news assaulted me daily. It wasn't until towards the end of the war that I learned and others learned - I guess it was after the war - that we learned the full horror of what had gone on during that war. I refer particularly, because I think the lesson I learned from it has affected me very deeply, I refer specifically to the details that came out about the Holocaust.

Mr. Speaker, in referring to that I don't want to say that it was necessarily worse than, looked at in isolation from other torture, or imprisonment, or oppression that's gone on in other parts of the world. I am equally unhappy about them, but it was because of this particular set of experiences that I acquired an attitude I hadn't had before, Mr. Speaker.

As the horror of that story came out, one of the messages that seemed to come through loud and clear for me and for many others I've spoken to was that many people knew, if not the full extent, they basically knew what was going on during those years. They felt personal horror at those events, Mr. Speaker. They felt that they wished they could have spoken out and done something, but individual after individual, official after official, chose not to, basically because they felt small and unimportant and they said, it's not my jurisdiction.

Mr. Speaker, the sum total effect of people taking too narrow a view of their human responsibility can lead again and again on this planet Earth, to incidents not unlike the Holocaust. Not to speak out when you know what is going on, is a way of condoning.

Mr. Speaker, I was curious about what led to that war and as a student at university and overseas and on through my adult life, I sought long and hard to understand the causes of war and I guess even more importantly, if there was anything that we, as aware and basically well-meaning people - and I include all the members of the opposition in that category - something that we could learn to do together that could anticipate these types of difficulties, that we could form collective will and act together to prevent such occurrences in future.

Mr. Speaker, I found there were many causes. My original categories of isms and left to right and who the good guys were and who the bad guys were changed, Mr. Speaker, the more I found out about the issues. I found that there was strength and weakness in every political system; that there was an evolution of a system within a country that had as much to do with that country's history as it had to do with the particular ism that it might be said to embrace.

Mr. Speaker, I found in looking at foreign policy in the years following the war, that I was critical of this closed approach of the USSR. I was also critical of the closed approach of the United States for seven to eight years, in the '50s, Mr. Speaker, when I was a very active member of a group that studied international affairs for personal interest only. For seven or eight years the

United States tried to pretend that China was not there because they did not think they approved of their system of government or they lumped China, Russia all together and all they could think of was prisons and centralized control, and didn't look at some of the other factors, what people had suffered prior to that change.

Now I am not trying to support any particular form of government in other countries. I am a Social Democrat, Mr. Speaker, because I believe the gradual, democratic change that offers people everywhere, hope of an improved way of life, reduces the need for a country to go to extremes, whether that be the extreme of a fascist repression or a communist repression if that is the label that the members opposite are comfortable with.

Mr. Speaker, a Social Democrat approach offers hope to people to meet their basic needs in a way where they can see some progress and where they are not driven in desperation to go to armed change and violent change. Mr. Speaker, it's in the interest of building that kind of condition, it's that kind of realism about world events that I think is typical of members on this side and our approach to world affairs.

Mr. Speaker, a very well-known Canadian statesman, Lester Pearson, looked at the international situation when he was working as a member of External Affairs on international development issues. Mr. Speaker, he was looking at the interdependence of the world system and the fact that we all had an interest in peaceful change throughout the world. But he looked, Mr. Speaker, at the different conditions, the different histories, the different populations, the different resources that were found in different countries. He despaired in countries like India of us knowing in our trade and aid relations what to do. The problem seemed so large in terms of poverty, in terms of population.

In Africa, he felt if they could avoid the horror of tribalism on the one side that there was hope through education, through political evolution for countries to decolonize and pursue self-determination, that very political thrust that has motivated our neighbours to the south in their struggle for independence and their assertion of independence two centuries ahead of where we in Canada arrived at it. Only last year, did we finally establish our own Constitution.

Mr. Speaker, when it came to Latin American countries, looking at the political history there, the recognition was that there seemed to be blocks to peaceful change. There seemed to be such an intense digging in of the military power and of the power of the wealthy that the democratic constitutions were there, but the practice was not. The rigid hierarchies between the people who had power and money were so entrenched that, regrettably, Mr. Speaker, his opinion and those of many thoughtful students at that time was, that regrettably they may have to resort to some kind of revolutionary change.

Mr. Speaker, the development of national desires for self-determination, and a desire to be masters in their own house, is something we've seen in continent after continent.

In Vietnam, I'm sure had we somehow understood - and I say we, because I think our thinking was perhaps as out-of-date as the Americans was - the Americans had shifted from isolationism in the '30s to postwar taking full responsibility on a global level, but, Mr.

Speaker, their way of understanding what was going on in those decades, was two decades out of date. They didn't realize, they didn't recognize the natural, nationalistic movements that grew up in these countries. It grew up, frankly because the Japanese, a non-white, non-European people, had easily defeated the white masters and those nations thought, ah ha, it is possible for us to achieve national control of our own countries and that was part of the motivation, Mr. Speaker, that led to those decolonization, those nationalistic uprisings.

But there was another threat to it, Mr. Speaker. Their students picked up the ideas of democracy, of freedom, of self-determination, by going to our universities. If ideas are good for us and good in our tradition, then are we to deny those same ideas and those same aspirations to people around the world?

Mr. Speaker, I grew through the time when I thought the world was divided between good guys and bad guys, the cold war period, but you know that was decades ago. — (Interjection) — It was decades ago. Since then, there are many holes of influence and thought, Mr. Speaker, throughout this world. I understand how people who somehow formed their view of the world in the '50s, perhaps I understand it better than many of my younger colleagues, because I lived through that period, Mr. Speaker, and many people that I knew very closely, shared that view. But, Mr. Speaker, we have seen a lot of change since then.

I found, Mr. Speaker, that the people who now are strong on the recognition that we live in one world, that we are interdependent, they're the young people who have travelled. They are teachers who have worked in other parts of the world. In many cases they're older people who have travelled and looked at the conditions of life and the ways of operating in other countries. Mr. Speaker, in many cases they are tourists, who knew that somehow while they were enjoying the glitter, the personal pleasures and the luxuries of the tourist world, that the bulk of the citizens in the countries they were visiting lived in poverty, in ignorance and did not share in that prosperity. Mr. Speaker, I submit that the tourist industry must be looked at in the wider context of economic and social justice.

Mr. Speaker, if we move into examining the conditions in Latin America, we find there are countries which have, in the past 50 years, been experiencing a dependency on the superpower to the north of them, an economic dependency. We call them "banana republics." What have we meant by that? We've meant that they have had very few basic crops. That in countries, particularly countries like Nicaragua, the land that was being used to produce their basic food products, maize, was being converted to cash crops for North America. Now that could be all right if they received some benefit from that, you could say it maybe isn't a bad economic bargain.

But, Mr. Speaker, it didn't work that way. They were not the beneficiaries of that kind of economic activity. They were dispossessed of land, not even ownership of land just access to land, where they could grow their basic food. They did not feel any hope in terms of getting basic education, or basic health care; and, Mr. Speaker, although I cherish free elections, free press, these elements of a democratic country, I can't help but empathize with people who see their basic food, their access to clean water, their access to literacy and health care, not available.

If I were in their shoes, I would have it very hard. I would find it very difficult to say that those other elements were the key. I would like to see the kind of change possible in those countries, so that all those elements can be enhanced and preserved. That's really what I think we stand a better chance of, Mr. Speaker, if the superpowers do not intervene, do not distort the development of these countries, but promote their opportunity to work with their own people, through their own political and economic evolution. We, in the west and we, in the northern hemisphere need not be so complacent to think that political development occurs overnight. Look at the record we have in political development. It's taken us a long time to learn the lessons of co-operation and sound economic development.

Therefore, Mr. Speaker, I believe that what we were speaking out on in the case of Nicaragua must be looked at in this broader context. Mr. Speaker, I would like to propose an amendment to the resolution, moved by myself, seconded by the Member for St. Johns, that the words preceding "this Legislature reaffirms" be deleted and replaced by the words:

"WHEREAS Manitobans and Canadians value the close and friendly relations which exist between our country and the United States of America; and

WHEREAS the citizens of Canada and the United States have advanced the cause of freedom and self-determination for all nations; and

WHEREAS this commitment to the cause of freedom has been affirmed by the reluctance and refusal of the United States Congress to supply funds for military intervention in the affairs of El Salvador, Nicaragua, and other countries in Central America;

BE IT RESOLVED THAT this Legislature reaffirms the friendship and mutual respect which exists between the people of Manitoba and the people of the United States of America."

**MR. SPEAKER:** Does the Honourable Minister have copies of her proposed amendment?

**MR. SPEAKER:** The Honourable Member for Turtle Mountain to a point of order.

**MR. B. RANSOM:** Yes, perhaps rather than having everyone sitting here twiddling our thumbs, it might be worthwhile if the Member for Lakeside simply addressed the main resolution while you're taking under advisement the possibility of an amendment.

**MR. SPEAKER:** Order please. It would be improper for the Honourable Member for Lakeside to speak to the matter when an amendment has been proposed. If the Honourable Member for Lakeside wishes to discuss the proposed amendment, then that would be tantamount to accepting it, which I have not yet done.

The Honourable Member for Lakeside on a point of order.

**MR. H. ENNS:** I take you weren't anticipating that it would be inappropriate or out of order for me to make some comments in this matter to the amendment or to the amended version, or just generally. It's a subject matter that I would truly like to address.

**MR. SPEAKER:** Since an amendment has been moved, it has not yet been placed before the House. It is not then appropriate for the honourable member to discuss that matter. Neither would it be in order for the member to debate the original resolution. It might be better for me to take the matter under advisement and report back to the House.

Is it the will of the House to call it 5:30?  
The Honourable Leader of the Opposition.

**HON. S. LYON:** Mr. Speaker, on the point of order, I hear people across the way calling 5:30. I can only point out that the effect of that, if honourable members opposite would do something more than cobble together, amendments that come into the House, Sir, marked "possible amendment to Lyon resolution," showing the great degree of care that's gone into its preparation that the effect, Mr. Speaker, of putting you into the awkward position of having to determine the validity, or otherwise, is to deprive the House of the right to debate it. Now, if my honourable friends are unaware of that effect of their poor drafting and poor thinking — (Interjection) — I'm on a point of order. Sit down. If the honourable members are unaware of that effect, Mr. Speaker, then let it rest on their shoulders, but the effect is to deprive this House of debating a resolution that is very important to this province and to this country.

**MR. SPEAKER:** The Honourable Government House Leader to the same point.

**HON. R. PENNER:** On the same point of order, once again, the Leader of the Opposition has demonstrated that he doesn't understand the Rules of the House. You have said, Sir, that you believe it is advisable for you to take the question of whether or not that amendment is in order under advisement. That being so, it seems to me, with respect, that the appropriate thing is to move to the next resolution on the Order Paper.

**MR. SPEAKER:** The Honourable Member for Fort Garry to the same point.

**MR. L. SHERMAN:** Mr. Speaker, I submit, Sir, that the proposed possible amendment should be ruled out of order on the grounds of syntax, if nothing else. That amuses one of the key anti-American demonstrators, Mr. Speaker.

The possible amendment says that the words preceding "this Legislature reaffirms" be deleted and replaced by the words, and then it gives those words. In other words, everything preceding "this Legislature reaffirms" would be deleted and replaced by what has been placed before the House and everything following the words "this Legislature reaffirms" would remain as it stands.

I submit to you, Sir, that if you read that in that context, where you get double reference to reaffirming friendship and mutual respect, etc., it's entirely inconsistent with proper grammatical and syntactical construction and therefore is out of order.

**MR. SPEAKER:** Order please. I thank the honourable members for their advice. Since I already have one

proposed subamendment under advisement, I will add this to it.

The next resolution on the Order Paper is Resolution No. 6. Does the House wish to proceed with that?

The Honourable Member for Virden.

**MR. H. GRAHAM:** Mr. Speaker, on a point of order, I believe that once a subject matter is before this Private Members' Hour, that it must be debated until it reaches its conclusion and no other matter can come before this Assembly at that time, unless, of course, the House does it by unanimous consent. If the House wishes to do it by unanimous consent, it can; but it's highly improper to bring forward a second subject matter during Private Members' Hour until the first one has been disposed of.

**MR. SPEAKER:** The Honourable Member for Springfield.

**MR. A. ANSTETT:** Mr. Speaker, to the point of order raised by the Member for Virden. Mr. Speaker, several times when he was Speaker of this House he took amendments under advisement. I make particular reference to the Sessions of 1978 and 1979. That resolution was then set aside because the Speaker had taken it under advisement and the House then proceeded to debate the next resolution on the Order Paper. Our rules do not specifically accommodate that. There is no rule that says that's exactly what we shall do; I'll concede that point to the Member for Virden, but we've established that precedent so many times, it's become accepted practice in this House. I submit he doesn't have a point of order.

## RES. NO. 6 - HYDROGEN RESEARCH IN MANITOBA

**MR. SPEAKER:** Does anyone else wish to advise the Chair? It has been suggested it be called 5:30. If that does not have the leave of the House, Resolution No. 6, standing in the name of the Honourable Minister of Natural Resources, who has two minutes remaining.

**HON. A. MACKLING:** Mr. Speaker, I regret the fact that when I was speaking earlier on this resolution, I did not have an opportunity to complete all of my thoughts and all of my arguments in respect to this resolution. Subsequent to my earlier remarks, I've had the opportunity of viewing a film developed by the National Film Board. Certainly, it was managed and arranged by a private firm called Crawley Productions, but it was a National Film Board Production on acid rain.

In that film, Mr. Speaker, it pointed out that the loss in the United States of America from acid rain totals approximately \$2 billion per year and in Canada — (Interjection) — well, the honourable member knows which resolution I'm on.

**MR. H. ENNS:** This planet, Earth.

**HON. A. MACKLING:** No, it's hydrogen research. The Honourable Member for Lakeside should look at his Order Paper.

Mr. Speaker, over \$2 billion per year is the loss in the United States from acid rain. Within Canada, it's estimated that our loss is in excess of \$500,000 per year. Mr. Speaker, everywhere throughout the world we are suffering from the erosion of our forests, the devastation to our forests, the destruction of our lakes. Even the statues in Rome, they are now having to consider ways to encase them in something that will prevent the atmospheric pollution that's caused by acid rain and pollution from fuels that are being burnt in automobiles and in our industrial system.

Mr. Speaker, it is clear that the real costs of the use of hydrocarbons consumed as energy have never been faced up to in our society. It is high time that we just turn our back on the extensive pollution that is occurring worldwide with destruction that we can never perfectly quantify. Face up to that fact and look at ways in which we can consume clean energy. This resolution speaks out on that question, it speaks out for research now by the Federal Government and the Provincial Government in this field, because it is highly overdue, Mr. Speaker.

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

The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. The resolution on hydrogen research presents an interesting forum for debate and it's gone a quantum leap now, thanks to the Minister for Natural Resources, into a number of different avenues.

We certainly look forward to debating this resolution, particularly with the contribution made by the Minister of Natural Resources, because we know, from personal experience on this side of the House, just what a knowledgeable individual this man is on the environment, because, as I have said before, he can fly over North Dakota 10,000 feet up in an airplane and detect all kinds of horrendous ecological problems caused by what he perceives to be poor farming practices in North Dakota.

This is also the man who is going to stump the American political forum in support of preventing

Garrison from taking place in North Dakota. This man, with his obvious ecological concerns, is the same man who was the subject of a resolution introduced by my Leader this afternoon; who takes his concern to such a naive and absurd state that he jeopardizes all of his ecological concerns on Garrison by marching in front of the U.S. Consulate at which a demonstration and a flag burning takes place. His ecological concern gets lost in his political naivety, Mr. Speaker. Now his poor judgment is going to give to us in Manitoba probably the completion of a Garrison project with its ecological detrimental effects. That's where this man's great concern for the environment has taken us in this province and we look forward to debating this resolution at a later date, Mr. Speaker.

Thank you.

**MR. SPEAKER:** Order please. The time being 5:30, when this resolution next comes before the House, the honourable member will have 38 minutes remaining. The Chair will accept a motion to adjourn.

The Honourable Member for La Verendrye.

### COMMITTEE CHANGES

**MR. R. BANMAN:** Mr. Speaker, I would like to make a change on the Standing Committee of Law Amendments. I would like to substitute the Member for Virden for the Member for St. Norbert.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. A. MACKLING:** Yes, Mr. Speaker, subject to the two committees meeting this evening at 8:00, I move, seconded by the Honourable Member for Turtle Mountain, that the House do now adjourn.

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