

Time: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

#### INTRODUCTION OF GUESTS

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before I proceed, I should like to draw the honourable members' attention to the gallery, where we have 18 visitors from Phase II of a seminar called An Introduction To Practical Politics. This seminar is sponsored by the Manitoba Rural Leadership Training Committee, under the direction of Mr. Keith Smith.

We also have 28 students of Grade 8 Standing from Ile Des Chenes School, under the direction of Mr. Claire Barard. This school is in the constituency of the Honourable Member for Springfield.

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

#### PRESENTING PETITIONS

MR. CLERK: I beg to present the Petition of The Manitoba Club, praying for the passing of An Act to amend An Act to incorporate The Manitoba Club.

MR. SPEAKER: Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees. . .

#### COMMITTEE REPORTS

MR. SPEAKER: The Honourable Member for Radisson.

MR. ABE KOVNATS (Radisson): Mr. Speaker, the Committee of Supply has adopted a certain resolution, directs me to report same and asks leave to sit again.

I move, seconded by the Honourable Member for Dauphin, that the report of Committee be received.

MOTION presented and carried.

#### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable First Minister

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I have a statement to make to the House. Mr. Speaker, I have a brief statement on the announcement by the Bank of Canada last night of a new floating bank rate. While we have not seen the text of the Governor's announcement, and we're not informed about it in advance, it is our understanding from media reports that the new rate will be set at 1/4 percentage point above the average yield on 91-day Canadian Government Treasury Bills at the weekly sale held on Thursdays. This will replace the fixed rate which has been held at 14 percent since last October. While the new floating system may create the impression that the bank rate will be determined by the market, in fact, it is important to note that the Bank of Canada participates directly in the weekly auction and because of that, may have a direct influence on the average treasury bill yield which will determine the floating bank rate.

In any case, whatever the mechanism, the change will in no way absolve the bank and the federal government from ultimate responsibility for monetary policy. While the new floating rate system may have the advantage of lessening the disruptive effect of large adjustments in the bank rate, it does not appear to have any other significant benefits. Quite clearly and as the Governor of the Bank of Canada has apparently acknowledged, it does not signal a reduction in rates and, in fact, there is widespread speculation that further upward movement is likely to occur as early as this week.

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Our government has made it clear on numerous occasions, that while we recognize the difficult position in which the bank and the federal government find themselves and particularly their concern about preventing a further major decline in the Canadian dollar so as to avoid added pressures on import costs, we in no way endorse the current federal interest rate policy. And the same is true of the new announcement concerning the floating bank rate.

Just under a year ago, Mr. Speaker, in March, 1979 the subject of interest rates was discussed in some detail at the last Conference of Western Premiers in Prince George. The communique issued at the conclusion of that conference stated -- and I quote only in part: "The western Premiers express their concern over the unacceptably high level of interest rates now prevailing in Canada. They noted that these interest rates are having a negative impact on citizens, particularly small businesses, small farmers and on persons now seeking to buy homes. Because of the implications of monetary policy for our provinces, the western Premiers felt it was essential that there be provincial input into Bank of Canada decisions. The western Premiers agreed that the Governor of the Bank of Canada be invited to meet as soon as possible with each government to review their concerns."

Mr. Speaker, following the Prince George conference, the Governor of the Bank visited each of the western provinces for discussions of bank policy. When the Governor was in Winnipeg, both the Minister of Finance and I emphasized very strongly to him that we believe the bank should take far greater cognizance of the differing regional impacts of its policies than it has up to now, and that new mechanisms should be considered for ensuring better regional and provincial input in monetary policy formulation. We emphasized that we recognize monetary policy was a matter which is within the exclusive jurisdiction of the federal government, but that improved consultation with the provinces was important because of our shared responsibility for fiscal and economic matters.

In light of the new announcement by the bank and of the very serious situation in the United States, I intend to suggest to the other western Premiers, that the governor of the bank be requested to meet with us once again, either singly or as a group, at the earliest possible opportunity to discuss the current situation and its implications for the provinces.

I want to emphasize as well, Mr. Speaker, that we continue to believe that one of the most important root causes of the current interest rate problem and of our vulnerability in two international pressures, is the unacceptably high level of the federal deficit. In the current circumstances, it is all the more essential that the Government of Canada reaffirm the fiscal policy commitments that it made at the First Ministers' Conference in concert with the other ten provinces in February of 1978, including the commitment, Mr. Speaker, to reduce its deficit. We believe the new federal government should introduce a new budget as soon as possible after parliament reconvenes. and we also believe it is important that First Ministers meet to discuss the economic situation at an early date.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker, on behalf of the opposition, I first want to clearly indicate that we certainly oppose the efforts under way at the present time to tie the interest rate in a floating manner, to abdicate the interest rate from the control of the central bank to the hands of the chartered banks. This lack of control, I believe, will result in interest rates increasing sharply and may very well, Mr. Speaker, result in interest rates in a short period of time reaching record levels. So that the move announced yesterday by Ottawa is certainly one I believe that most Manitobans and Canadians will reject and will oppose.

Now having said that, Mr. Speaker, I find it somewhat of passing interest that the First Minister, that his political party while in office in Ottawa, saw fit to increase interest rates four times in the space of some six months after committing themselves in the federal election of May of 1979 to decrease interest rates. And now, Mr. Speaker, of course, the members across the way speak boldly and bravely about what should be done. Why didn't they do something when they and their friends were in power in Ottawa in 1979?

Their stance, Mr. Speaker, comes as no surprise to us. We have seen this maneuvering back and forth from Liberal to Conservative and the reversible attitudes on the part of both old line parties pertaining to interest for the last number of years.

Mr. Speaker, what I believe must be mentioned at this time is that we appear to be void of any suggestions from across the way as to what can be done in Manitoba now to deal with the burden of interest rates upon the small business people and homeowners of this province.

What are you prepared to do? You can blame Ottawa only so far, but let us hear your proposals as to what you will do in the Province of Manitoba. Mr. Speaker, we have heard nothing that is concrete from across the way. We have heard no suggestions, no proposals, despite repeated questioning in this Chamber to government members as to their intentions pertaining to some relief for those suffering from interest rates in the province.

We say, Mr. Speaker, that it is better to subsidize the homeowners pertaining to the problems that they are faced with in respect to renewable mortgages at high interest rates, than to continue to subsidize as they are doing under so many of the programs that they have undertaken in respect to Enterprises Manitoba. So much better, Mr. Speaker, but to subsidize the interest rates for small businessmen rather than to continue to pay out millions of dollars under grants under the Enterprise Manitoba Program. That would be a much more useful, positive program than what they are undertaking. We await their suggestions, their positive alternatives. Let's not just continue, as they have been doing, to blame Ottawa.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. DOUG GOURLAY (Swan River): Mr. Speaker, I wish to table the Annual Report of the Communities Economic Development Fund for the year ending March 31, 1979.

MR. SPEAKER: Order. Order please. I would hope that we allow the orderly process of debate in the Chamber.

The Honourable Minister of Cultural Affairs.

HON. NORMA L. PRICE (Assiniboia): Mr. Speaker, I would like to table the Tenth Annual Report of the Manitoba Arts Council for the year ending March 31, 1979.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I wish to table the 52nd Annual Report of the Chief Inspector under The Liquor Control Act.

MR. SPEAKER: The Honourable Minister of Government Services.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I have the pleasure of tabling the Annual Report for the year 1979, of the Manitoba Public Insurance Corporation.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills.

#### ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for the Emergency Measures Organization.

Can the Minister indicate what role the Emergency Measures Organization is playing in respect to the train derailment and subsequent hazardous chemical contamination that is occurring outside of McGregor? And in specific, can the Minister indicate if the EMO is monitoring and evaluating the situation and will their report be made public upon receipt of it?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, if I may take the opportunity to respond to my honourable friend's question, the Minister of Consumer and Corporate Affairs and the Environment has been on the scene of the train derailment at McGregor since this morning.

He should be back in the House by 3:30 or 3:45 this afternoon and at that time he will be asking permission of the House to make a Ministerial Statement on that situation, which I trust will cover my honourable friend's questions, and any others, that may arise.

MR. COWAN: My question then, Mr. Speaker, is in response to that. Will the opposition be afforded an opportunity to reply to that statement at the time that it is made? With that assurance we will await the Minister's report.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the First Minister. In view of the StatCan release this morning of unemployment figures -- usually, Mr. Speaker, we receive a copy from the Minister. I believe he's already distributed copies of the details of the StatCan changes.

But in view of the fact that the StatCan statistics released this morning indicate an increase in Manitoba's unemployment rate to 7.1 percent, the sharpest increase, Mr. Speaker, I believe of any province in Canada, my question to the First Minister is, what action does he intend to undertake and to initiate on behalf of his government in order to ensure an improved employment picture in the province of Manitoba?

MR. LYON: Mr. Speaker, there are two observations on my honourable friend's question. Number one, the statistics that we have received this morning show a one month change, not a long term change in the unemployment figures in Manitoba at all. Number two, Mr. Speaker, the rate of job creation in Manitoba over the past two years or so has been considerably greater than it was under my honourable friend's jurisdiction prior to October of 1977. So the rate of job creation in the private sector, where most of the jobs are now being created - not in the non-productive public sector where they were mostly created under my honourable friends -- the rate of job creation, Mr. Speaker, in the private sector is much in advance of what it was when my honourable friends were in office.

We, of course, are not satisfied to see even monthly increases but these do not in any way suggest a trend. In fact, one would have to wait for a three to four month period to determine whether or not there had been any trend that had occurred. But we realize, Mr. Speaker, that this is traditionally a time when unemployment statistics do tend to take a bit of a blip. They are approximately the same as they were at this time last year. We're monitoring the condition closely and, Mr. Speaker, the best guarantee I can give to my honourable friend and through him to the people of Manitoba is that we will continue to utilize those sensible policies with respect to governments role that will encourage the creation of more jobs in Manitoba as we have been doing for the last two years.

MR. PAWLEY: Mr. Speaker, first I would like to correct a statistic that was used in my question. The increase is from 4.8 to 5.8, an increase of 1 percentage point. The statistic that I used was in reference to the City of Winnipeg's unemployment rate which is, of course, higher. The First Minister, Mr. Speaker, made reference to the labour force figures and increasing the number of jobs within the Manitoba labour force, and my question to the First Minister, is whether or not he can confirm that from February 1st of 1979 to February 1st, 1980, the increase in the employment labour force in Manitoba was but 1,000 compared to an increase of 13,000 between February 1st, 1978 and February 1st, 1979. In view of the fact, Mr. Speaker, that the trend appears to not be improving in Manitoba but appears to be worsening, does the First Minister propose any steps immediately in order to deal with a situation by which the job creation has weakened rather than improved trendwise in Manitoba?

MR. LYON: Mr. Speaker, I'm not closely familiar with the statistic and I didn't quite understand what my honourable friend was saying about employment increase. I'll be happy to check that figure. But to reiterate to him, Mr. Speaker, that the rate of job employment increase in Manitoba which he has never acknowledged and we don't necessarily expect that he would, has been on the order of at least double what it was in the last two years of the administration of which my honourable friend was a member. If he wants to improve on that, go ahead.

MR. PAWLEY: Mr. Speaker, I had hoped that I could have realized some response from the First Minister as to steps, proposals, legislative change in order to ensure a turnabout in the situation rather than a continuation of harping back to 1976 and 1977. I can't force the First Minister to respond but I would welcome some response from the First Minister as to whether there are any programs that will be proposed during this session to relieve as against the increasing unemployment situation and the worsening job situation in the Province of Manitoba.

MR. SPEAKER: The Honourable Minister of Labour.

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HON. KEN MacMASTER (Thompson): Well, Mr. Speaker, first of all I am glad to see that the member corrected his figure of 7.1. He was talking about actuals which we have never used in the province for a good period of time. We're always talking about the seasonal, and I say to him that 5.8 is a particular figure, and that the rise is one percent, and the rise was certainly not appreciated by anyone. The number of 5.8 percent is exactly what it was last year, being the lowest it was since February of 1976.

You may recall, Mr. Speaker, in the fall of 1978, when the unemployment rate started to stabilize and in fact got lower. We are. . .

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

MR. PAWLEY: Mr. Speaker, if the Honourable Minister is issuing a statement, could we have copies of the statement?

MR. SPEAKER: Order please. I understand the Honourable Minister of Labour is answering a question that was asked by the Leader of the Opposition.

MR. PAWLEY: The question is to who's question he is answering. I am not aware of any question being directed toward him.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the Minister of Labour stood to acknowledge a question that the Honourable Leader of the Opposition had addressed to me and he is answering it; he is the Minister of Labour. --(Interjection)-- Well, you ought to be happy to get an answer from any source.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Well, Mr. Speaker, I was under the impression that when the opposition asked a question that the government should do everything in their power to supply as much information as relates to the question as possible, and that's really the only reason I got up, Mr. Speaker. The members opposite have always questioned me on the rate of unemployment. They haven't questioned very much in the last few months and in the last year or so, it's been very good, and this is the only exceptional month that has taken one jump. And I think you will find. . . --(Interjection)-- Well, go ahead and challenge it if you think it's out of order, or do you want to hear the answer; that's what I'm trying to get. . . Do you want to get up and say something? Does the Member for St. Boniface want to get up? Okay, get up.

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

MR. LAURENT L. DESJARDINS: I would like to know, Sir, where he sees in the rules that he could admonish us and make a speech before answering any question. You declare that the question was in order, that he was in order in answering the question, felt that he was asking a question. I'm speaking on a point of order and you don't ask questions on a point of order because you don't ask questions of the Speaker, in case you don't know. So, Mr. Speaker, I wish to say that we feel that he was definitely out of order and maybe now he'll answer the question.

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Well, to continue what I was trying to do, Mr. Speaker, which is simply to answer the question of the Leader of the Opposition. --(Interjection)-- I intend to; good, if he wants the answer. Maybe he doesn't want the answer. The unemployment rate is identical to what it was last year, which of course we all consider to be unacceptable. The Leader of the Opposition made reference to one month over month. He should know, I suspect that he knows, that during the course of the year, you get the average number of new created jobs by taking every month and averaging it out at the end of the year. It happens, if he had done some more research, which of course, he didn't want to, he would have found that

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January over January, there was a 5,000 difference; this month there is a 1,000 difference, and as that works out during the course of the year, Mr. Speaker, you will find out at the end of the year, what the average mean is and what the total new employment was in the Province of Manitoba.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, it may be that there is some problem in hearing. My question was, what comprehensive programs does the government undertake to initiate, to deal with the present situation. I didn't request a statistical elaboration. The honourable member hasn't apparently responded.

MR. MacMASTER: Well, Mr. Speaker, the members opposite have a habit of standing up and making suggestions that leave the wrong impression. The member in fact did make reference to the fact of February over February, and I thought he would like to have himself corrected. You know, I am sure that he doesn't want to leave the wrong impression in this House, so I was just trying to help him out, and he needs help, Mr. Speaker.

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

MR. BILL URUSKI: Thank you, Mr. Speaker. I would like to direct this question to the Minister of Labour, and ask him, in view of the fact that the unemployment situation in Interlake is getting worse, the statistics that are given to us are from 8.9 to 9.4 percent from last month to this month, and that does not include the remote and native communities in the Interlake, can the Minister indicate whether he is prepared to announce that the Special Northern Employment Program and the Winter Works Program that were in effect prior to 1978 will be reinstated to alleviate some of the hardships in unemployment that Interlake now faces?

MR. MacMASTER: I think, Mr. Speaker, we should be looking at long-term permanent jobs rather than short-term make-work jobs.

MR. URUSKI: Thank you, Mr. Speaker. Could the Minister of Labour indicate to us what type of solutions he has for long-term jobs for the people of the Interlake who want to work and who do not want to receive welfare - instead of taking money for nothing, put people to work, Mr. Speaker? What solutions has the Minister got?

MR. MacMASTER: Mr. Speaker, there is a large variety of programs that are in effect which can help the people in the Interlake areas, so it can help people in other area in the Province of Manitoba.

MR. URUSKI: Mr. Speaker, since the Minister is being very vague in that matter, is his program to export people to Alberta, or is he prepared to tell the people of the Interlake what kind of long-term programs for job opportunities there is, that his government has?

MR. MacMASTER: Well, Mr. Speaker, there is no program in place in any jurisdiction in Canada to export people to Alberta, but I think most Canadians, Mr. Speaker, appreciate the fact of what's taking place in Alberta and the sooner that the oil fields produce a little more, the better off our country will be.

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

MR. SAUL CHERNIACK: Mr. Speaker, as was stated, we can't force an answer, but we could at least ask that if there is no answer to be given, it be clear that it's not given. So I will ask the Minister of Labour, if as he says a year ago, the unemployment rate was unacceptable, and that's what he said, what is he going to do now to correct the situation, having had a year's experience of an unacceptable unemployment rate as of February, 1979?

MR. MacMASTER: Mr. Speaker, I'm not sure what an unacceptable rate is in anybody's terminology, be it one percent or two percent or no percent. The fact, Mr. Speaker, that unemployment rises in the middle of winter is nothing new in Manitoba; it's

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nothing new sitting in this House today. Last year at this particular time there was a rise in unemployment the same as it is today. Whoever makes reference to the absolutely unacceptable unemployment rate in Manitoba last year, the unemployment rate in Manitoba last year certainly wasn't one that you could be proud of but it wasn't one you could be ashamed about. It's still the third lowest in Canada, and probably over the course of the year, it averaged out to be the best in three years, so it certainly wasn't a bad year in unemployment last year.

And I don't think any government, Mr. Speaker, regardless of what the party is, any government, should make a bunch of reactionary statements to one particular month, which reaches a high in the course of the last sixteen months.

MR. CHERNIACK: Mr. Speaker, just to clarify, does the Minister now say that the February unemployment rate is acceptable? Is he changing the wording that he used earlier today when he said it was unacceptable last year and this year? Is it now acceptable to him, and that no program is required to adjust to this problem?

MR. MacMASTER: I don't know whether to use the word unacceptable or not appreciated, or not liked, whatever the case may be. Just to reiterate what I said, during the course of the winters in this country, unemployment has always risen. I think the Member for St. John might even agree with that. It is the best right now that it has been since 1976. Certainly we intend to work harder at that. I think we've been working with the construction industry and with the trades, and if you followed what they said just recently - and I think the release is probably four or five days old - that this is by and large a far better winter for the construction industry and the trades, than they had a year ago. And let's hope that next year it's somewhat better.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, a question to the same Minister. I think the Minister would acknowledge that there are winters in Canada, and that's why we have something called seasonally-adjusted rates, that the rates are adjusted for that fact already, so we do have an increase in the seasonally-adjusted rates. My question to the Minister, Mr. Speaker, is, is what representations, if any, has he made to Ottawa to have the statistics changed and improved so that treaty Indians are shown on the unemployment statistics? Has he made any representations to Ottawa in that regard, and what progress is being made to bring that segment of our population into the statistics?

MR. MacMASTER: Mr. Speaker, I understand the question. The Member for The Pas raised it, I think, probably a year ago now, and I told him at that particular time that we would be in contact with the federal government, which we were. Subsequently there was an election. In addition to that, I was in contact with the new government, now there's been another election, and the only thing that I can say to him is that I will have to follow it up with the member that happens to be from Winnipeg here. He is the Minister now responsible for those type of things.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister in his representations to Ottawa - so far unsuccessful, but hopefully they will be successful in the future - in his representations to Ottawa, he has pointed out the problem that we have in Manitoba, because the provincial government has cut back on employment programs for those communities of the type I am talking about, and that federal winter works programs, federal lead programs, are calculated on the basis of the unemployment figures. In his representations to Ottawa, has he made those facts known to Ottawa in this regard?

MR. MacMASTER: Well, without accepting the preface to the question, there are those, and I'm sure the opposition has used the same sort of argument, but there are those across our country and in society that say a lot of the make-work programs were altering the true figure of the unemployment rates in this country.

MR. McBRYDE: Mr. Speaker, I wonder if the Minister then, since he is certainly not willing to involve himself or his government in any special programs to meet the urgent need in Northern Manitoba and in the remote communities, I wonder then if the Minister would

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consider taking a \$300,000 profit from the sale of the construction company that created 30 jobs in Northern Manitoba, whether he would consider taking that \$300,000 clear profit to the Government of Manitoba, and reinvesting that in long-term jobs in Manitoba.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Speaker, I'd like to address a question to the Minister in charge of Corrections. Approximately two weeks ago, I asked in the House as to the status of a 32-year old mother of four children, who was sentenced to nine months in prison for having diverted welfare funds to recreational projects in her community, and I asked whether the Minister could tell us as to whether this woman has been facilitated in such a way that she could be with her four children, in the same way as Clarence Campbell is able to be free after spending one day in jail for bribing public officials.

MR. SPEAKER: The Honourable Minister of Community Services.

HON. GEORGE MINAKER (St. James): Mr. Speaker, the individual in question is presently in the Portage Institute for Women, and has the same opportunity to have visitors as any of the other inmates.

MR. GREEN: Well, Mr. Speaker, I thank the honourable member for expressing Christian charity that this woman can have visitors like anybody else. I want to know whether the Minister is able to look into this case to see whether she can be given such consideration as will permit her to be with her four children.

MR. MINAKER: Mr. Speaker, I can advise the honourable member that her lawyer, I believe, has applied for parole with the National Parole Board, which he knows is under someone else's jurisdiction.

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

MR. GREEN: Mr. Speaker, is there anybody on the front benches of the government that will take an interest in getting this woman out of prison, which is not a difficult thing to do. It is available, it has been used for other citizens. Is there anybody who will do something to get this woman out of prison?

MR. MINAKER: Mr. Speaker, the honourable member is fully aware that I, as the Minister of Corrections, is responsible for carrying out the wishes of the judicial system, and this is what we are doing.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Mr. Speaker, my question is addressed to the Minister of Health. Would the Minister confirm that the proposal that was developed by the Lakeshore District Health Board and the Health Services Commission was for a clinic at Lunder, a 20-bed addition to Eriksdale Hospital, a 20-bed addition to Ashern Hospital and a clinic in the Gypsumville area? Also, that the Board Members of the Health Board accepted in good faith, that whatever was agreed upon between themselves and the Health Services Commission would, indeed, be the final outcome?

MR. SPEAKER: Order, order please. I believe that the questions asked by the Honourable Member for Fort Rouge have been asked in this Chamber before by other members. It was probably a repetitive question and serves . . .

The Honourable Member for Fort Rouge.

MRS. WESTBURY: My supplementary then is, is it true that in order to achieve these goals, the United Church which owned the Eriksdale Hospital relinquished, again in good faith, relinquished ownership to the government as required by the government, sold the nurses' home, put in a sewer and turned over the doctors' residence as part of their commitment to Eriksdale addition? And is it also true that the Board was told that any 20-bed facility would have to be an attachment to another hospital and could not be a free-standing building, a free-standing building had to be a 40-bed facility?



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MR. SPEAKER: The Honourable Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Yes, Mr. Speaker, essentially that is true. I would point out to the honourable member that it's also true that there was a change of government on October 11, 1977.

MRS. WESTBURY: In view of the answer, I have a further supplementary to the Minister of Government Services, Mr. Speaker. Will he assure the House that he has never approached the First Minister, or the Minister of Health, or the Manitoba Health Services Commission, or any other person or board with a view to moving the personal care home from Eriksdale to his constituency?

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: Mr. Speaker, I'd be happy to answer that question. I, like undoubtedly 56 other members elected to this Chamber to represent their constituents in the best way possible, have done and will continue to do everything I can do on behalf of my constituents. And I'm very proud of that fact. I think most members would be proud of that fact if they have some accomplishments.

I can also indicate, in direct response to that question, that I have never suggested that a facility should not be built in Eriksdale. Indeed, I'm very pleased and flattered that the Minister has already indicated an expanded facility, expanded services to the northwestern section of the Interlake, of which I am part of and my constituents are part of, and that's done because of the compassion and the concern of this government for delivering that kind of service. So, Mr. Speaker, speaking on behalf of the Interlakers, that the Honourable Member for St. George represents, we can now rest assured that we will have, not the half promises of the previous administration made prior to an election, but indeed the actual fact, the construction of improved, expanded facilities to look after those so much in need, namely the elderly of our part of the country.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. DON ORCHARD (Pembina): Thank you, Mr. Speaker. Mr. Speaker, some days ago I took a . . .

MR. SPEAKER: Order please. The Honourable Member for St. Boniface on a point of order.

MR. DESJARDINS: Mr. Speaker, the last spokesman said that it was a promise made by the former government just before an election. I'd like to point out to him that the five-year program was announced in 1976, at least as much time as we'll have before the next election, and I think this is absolutely wrong.

MR. SPEAKER: Order, order please. Order please. May I point out that differences of opinion, differences of fact, are exactly that, and do not constitute a point of order.

The Honourable Minister of Transportation.

MR. ORCHARD: Thank you, Mr. Speaker. Some days ago, the Honourable Member for Elmwood drew to my attention an error of rather grave magnitude in the Department of Motor Vehicles' Branch, and his concern was how, in fact, one resident of Thompson, Manitoba could have received not 1 but 10 identical registration forms for the same vehicle. And because the Honourable Member for Elmwood was indeed concerned about this grave situation, I have had it followed up, Mr. Speaker, and I would like to further clarify the response I give to the honourable member on the day he posed the question.

First of all, Mr. Speaker, there were not 10 identical registrations sent to the gentleman at Thompson. What in fact was sent to the gentleman in Thompson was one original registration plus nine duplicate registrations.

Now, Mr. Speaker, I would further like to explain how this grave error occurred. Mr. Speaker, I will forward this material to the Honourable Member for Elmwood so that he can rest assured that such a horrendous error cannot happen again.

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In the corner of the application form for registrations of vehicles in the Province of Manitoba, which are made out, Mr. Speaker, upon application for registrations of vehicles in this province, there is outlined by marker pen, two columns. Now as I mentioned in my answer that day, Mr. Speaker, . . .

MR. SPEAKER: Order. Order please. May I suggest to the Honourable Minister that his answer be brief and to the point.

The Honourable Minister of Transportation.

MR. ORCHARD: Mr. Speaker, I certainly will attempt to make my answer very brief and to the point.

In the corner, which I will note to the Honourable Member for Elmwood, there is a box "For Office Use Only" in which the registration year of the vehicle is entered. In this case it was a 1979 registration year. So the last numerical entry was nine. Immediately adjacent to that box, Mr. Speaker, is a box which says: "If the customer requires duplication registration or registrations, enter the number here." Inadvertently, Mr. Speaker, my keypunch operator entered nine for the year of registration plus nine in the duplicate column.

Now, Mr. Speaker, an error such as that, I will admit is strictly human error, and we have within Motor Vehicles Branch considerable checks and balances to assure that this type of situation does not exist and waste taxpayer money.

But in this particular case, Mr. Speaker, it is not unusual for duplicate registration slips to be requested by the original owner. And in this case when nine were requested, it could well be that the gentleman had a wife and eight kids.

MR. SPEAKER: Order. Order please.

The Honourable Member for Kildonan.

MR. PETER FOX: I believe you admonished the Honourable Minister and told him to cut it brief, and I believe he is abusing the admonishment. I wish you would tell him again that he's too long.

MR. SPEAKER: The Honourable Member for Kildonan's point is well taken.

The Honourable Minister of Transportation.

MR. ORCHARD: I will be finishing very shortly, Mr. Speaker.

MR. SPEAKER: I hope it's very short.

MR. ORCHARD: So that under ordinary circumstances, Mr. Speaker, where such an error in keypunching is done, we have checks and balances to prevent that, but since duplications are periodically requested, the error went unnoticed and, as a matter of fact, nine duplicate registration forms did in fact go out to the gentleman in Thompson.

And, Mr. Speaker, I want to assure the Member for Elmwood that such a situation will not happen again unless a similar error occurs, and I want to thank him, Mr. Speaker, for pointing out to myself the largest error that my department has made to date.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I might say that the largest mistake made in the department to date was the appointment of the present Minister.

I want to just ask a couple of questions - and I do so with some trepidation - on the last point. Is the Minister seriously suggesting that the person may have requested duplicates, and that no matter what the request for duplicates is, that it will be honoured by the department? And it was only because there was a request for duplicates that there was a mistake made? Is the Minister seriously suggesting that?

MR. ORCHARD: Mr. Speaker, obviously the short explanation I gave was not sufficient to bring the facts of the case fully to the Member for Elmwood.

What I in fact said, was that - and he now has the application form in front of him - inadvertently the number for the registration year, namely, 9, was punched not only in the

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square "for office use" but also in the duplication thing, and inadvertently the nine duplications went out. Now that is not a situation, Mr. Speaker, which my department normally checks.

MR. SPEAKER: Order. Order please. I believe that suffices for the Honourable Member for Elmwood.

A supplementawry question?

MR. DOERN: Mr. Speaker, I would then ask the Minister, when duplicates are requested, are they each then sent out in individual envelopes? Because these were 10 individual envelopes and 10 separate letters that were sent out. Or would you not consider putting them all in one envelope?

MR. ORCHARD: Mr. Speaker, that is indeed a serious consideration to myself as Minister.

And, Mr. Speaker, should it be economically possible to stop the computer in process and take the nine duplicate registrations requested and put them in one envelope and pay a member of my department the costs of doing that, as compared to the rather automated and efficient costs by which the computer serves us, Mr. Speaker, I will indeed investigate that. And should there be a cost saving from the duplication of 9 by 17 cents for postage, I will indeed implement such a plan, post haste.

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

MR. DOERN: Mr. Speaker, my final question is simply this: I don't care what the error is. I don't care how the error was arrived at. I don't care who's responsible. I asked the Minister earlier - and he didn't answer that - he seems to argue that this is the only instance of mismanagement in the department - I suggest that if this happened in this instance, there are probably dozens of others. I ask the Minister whether he's prepared to argue that this is the only error that his department made in the past year, because that seems to be what he is suggesting.

MR. ORCHARD: Mr. Speaker, since the Honourble Member for Elmwood adequately paraphrased his question as to the fact that he didn't care who made the mistake, how it was made or what, why did he ask the question, Mr. Speaker?

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I'd like to address a question to the Honourable Minister of Labour pertaining to the unemployment situation in Winnipeg.

Since the unemployment rate in Winnipeg, according to this morning's news release, jumped from 5.7 percent on a seasonally adjusted basis, which takes into account the winter season, to 7.1 percent, which is close to the national average in Canada, Mr. Speaker, will the Minister be prepared to work through Cabinet to undertake special employment projects for the City of Winnipeg?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: Not at this particular moment, Mr. Speaker, and I don't want to spend a lot of time repeating what I said. We would hope that this is what is considered a peak high and that that will taper off rather rapidly, as it has done in the previous years.

MR. EVANS: Mr. Speaker, we do not have the details on other cities or regions within the province. However, we do have information on the City of Winnipeg and therefore, in view of the facts that it is very serious, much higher than the average for the Province of Manitoba, I am wondering whether - and I guess I should address this then to the Minister of Economic Development - whether the Minister of Economic Development is prepared to undertake any action plan to stimulate industrialization in the City of Winnipeg, to provide meaningful long-term jobs in this city of ours, which contains over half the population of this province.

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MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, manufacturing in the Province of Manitoba is up 34 percent in 1979 over 1978. The predictions of manufacturing by the Conference Board and by Statistics Canada and by the industry and commerce of the federal government being up at least 34 percent, or close to 40 percent in 1980 will be reached.

MR. EVANS: Mr. Speaker, I wonder if the Honourable Minister would clarify his statement, because he says "up 34 percent". He doesn't explain exactly what will be up 34 percent. Is he talking about jobs in the manufacturing sector? Is he talking about the value of shipments? Is he talking about investment?.

But regardless, Mr. Speaker, the facts are that the seasonally adjusted data indicate that we have a very serious unemployment situation in the City of Winnipeg, 7.1 percent. So given that fact, would the government be prepared, whether it be the Minister of Economic Development, the Minister of Labour or the Premier, or anyone, are you prepared to do anything to help alleviate the unemployment situation in the City of Winnipeg?

MR. JOHNSTON: Mr. Speaker, I don't know what can help alleviate the unemployment situation in Winnipeg or this province, better than manufacturing. As far as the service industry is concerned, there is no need for a waitress. There is no need for anybody working anywhere unless you're manufacturing your raw resources or manufacturing and producing materials. That creates jobs in the whole province, Mr. Speaker, and that's what we have been doing in the Province of Manitoba, it has been built. The 7.1 is much better than the national average, the same as our increase in manufacturing and manufacturing jobs.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister responsible for Manpower in the Province of Manitoba.

In view of the extreme high levels of unemployment in northern Manitoba, where most of the unemployed are not even included in the statistics that have been provided to the House and to the press in Manitoba, in fact where the unemployment in many remote native communities approaches 75 percent, levels which are scandalous in anybody's terms, Mr. Speaker, does the government have any programs or policies to propose to deal with this very serious situation?

MR. SPEAKER: The Honourable Minister of Labour.

MR. MacMASTER: I would like to answer two questions if I may, Mr. Speaker, taking the chance of being chastised from the members opposite.

The Member for Brandon asked about what we were doing in the City of Winnipeg, if anything, and then I'll answer the other question.

We had been carrying on discussions with the construction industry and the tradesmen in an effort to see if there couldn't be a new type of method implemented in the Province of Manitoba, whereas you're tendering jobs at different times of the year in an effort to get some of the construction industry work carrying on into the course of the winter. Some of it did work to some degree this year, but I think that could be improved substantially.

To the Member for Rupertsland, I think he is aware of a good number of the Special ARDA Program and the efforts that have been put forward in the last year on that. If he wishes to direct that question as to the successes or the types of programs that's in place under that particular program, I'm sure the Minister responsible could certainly help him out with it. The CEDF program is working rather well in the past particular year and maybe he could get some facts and figures on those two particular programs.

MR. SPEAKER: Order please. Perhaps the member can ask those questions tomorrow, the time for question period having expired.

We'll proceed with Orders of the Day.

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ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Economic Development 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: The Honourable Member for Kildonan on a point of order.

MR. FOX: I understood the Honourable First Minister to indicate that there would be a statement later on. Will both committees be called into the House at that time?

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Well, Mr. Speaker, I'm sure we'd be prepared to meet the reasonable wishes of the House in that regard. The time indication that I had was that the Minister of the Environment would be back around 3:45.

If it would be the wish of the House, by agreement, to adjourn briefly to hear his statement and then to carry on, we can . . . --(Interjection)-- 4:30? If 4:30 is more acceptable, that would seem to meet everybody's convenience. Thank you, Mr. Speaker.

MOTION presented and carried and the House resolved itself into a Committee of Supply, with the Honourable Member for Radisson in the Chair for the Department of Labour and Manpower and the Honourable Member for Virden in the Chair for the Department of the Attorney-General.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY - ATTORNEY-GENERAL

CHAIRMAN, Mr. Morris McGregor (Virden): Order. Resolution 17, No. 3., Boards and Commissions.

The Member for Burrows.

MR. BEN HANUSCHAK: Mr. Chairman, I would like to ask the Minister one question. If he could perhaps explain and justify the reduction in the level of support for Boards and Commissions - and within this area, I feel that there are two very important, or within this appropriation, are two very important areas of activity, namely, the Law Reform Commission and the Human Rights Commission, which were initiated by the New Democratic Party government. And I think both the commissions are well-accepted by the people of Manitoba, and they have certainly demonstrated their effectiveness and the need for them within our society, within our system of government.

And yet, Mr. Chairman, we do see a reduction in the level of support which I feel must be reflected in a reduction in the level of service offered by the two boards and commissions. And I say that there is a reduction in the level of support because, if we look back to the last year that the New Democratic Party was government, and the estimates approved by it, the level of support for the two commissions was \$1.2 million, in fact, \$1,217,000.00. Now, this year, we're looking at a figure of \$1,490,000.00.

Now, Mr. Chairman, this is the third year after the year that we were government, because the first figure was for the year ending March 31, 1978, and now we're looking at the year ending March 31, 1981. So over that period of time, Mr. Chairman, there was an inflation at the rate of about 10 percent a year. So applying that, it would seem that just to maintain the same level of service, the government would require somewhere in the order of \$1,600,000.00. But just to maintain the same level of service, Mr. Chairman, here in fact we see something less than \$1.5 million which obviously, given the inflation factor, must be buying less in terms of manpower, in terms of whatever other services, goods and services the two Commissions require. So obviously, this must mean a reduction in the level of service

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offered to the people of Manitoba; by reason of a reduction, over the three-year period, of the level of support, of financial support offered the two boards and commissions.

And perhaps that, to some extent, Mr. Chairman, explains some of the dissatisfaction that we had heard voiced over the year, in one of the commissions in particular, namely the second one. We'll come to that when we deal with that specifically.

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: Mr. Chairman, I take it we're on Item 3.(a).

MR. CHAIRMAN: Right.

MR. MERCIER: On the Manitoba Law Reform Commission.

MR. HANUSCHAK: If we are on Item 3.(a), Mr. Chairman, then it makes the point that I am attempting to make all the stronger. Because with respect to the Manitoba Law Reform Commission, the 1978 appropriation of the last year that we were government, was \$179,600 and now it's only \$198,200.00. So what I had said in relation to the total appropriation for both commissions, applies to the two parts.

So going on the basis of the 1978 appropriation, if there was justification for the level of staffing that it had, for the types of expenditures that it incurred at that time in holding hearings, and so forth, and as I recall it in the first year that this party was government, I think this Minister said that he could not identify any fat in his department; that he couldn't identify any leakage or wastage.

So I take it that whatever was on track at that time, the Minister was satisfied with it, and certainly insofar as the two commissions are concerned. So he was satisfied that there was justification for the expenditure of the \$179,000 in 1978, and then applying the inflation factor to that, over which this government has no control, this figure should be well over \$200,000, well over \$200,000 and not \$198,000.00.

So, referring specifically to 3.(a), the Manitoba Law Reform Commission, I suggest to you, Mr. Chairman, that given the appropriation shown here in 1980 dollars as compared to what was shown in the 1977-78 Estimates in 1977 dollars, that there is a reduction in the level of support and hence that must reflect a reduction in the level of service offered the people of Manitoba.

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: Mr. Chairman, I'm getting the actual figures, but my officials indicate that the year that the Member for Burrows refers to, 1977-78, \$179,000, it's estimated that the Law Reform Commission probably at a maximum, spent two-thirds of that amount of money in that fiscal year.

MR. CHAIRMAN: The Member for Elmwood.

MR. DOERN: Mr. Chairman, I wanted to deal with the Law Reform Commission, in particular in regard to certain suggestions they had in regard to the funding of public elections and the operation of election procedures, and the most extraordinary comments and actions of the Attorney-General last October, where he interfered . . .

MR. MERCIER: Mr. Chairman, on a point of order.

MR. CHAIRMAN: A point of order. The Honourable Minister.

MR. MERCIER: Mr. Chairman, there will be ample opportunity for the Member for Elmwood to comment on my actions, if he wishes, perhaps under Minister's Salary, but I don't think it is appropriate under the Law Reform Commission.

MR. DOERN: Mr. Chairman, on the point of order. It couldn't be more appropriate because I will give you a couple of direct quotations that, going back to October in regard to this matter. The Attorney-General said on October 11th, reported in the Free Press, that he would like to see an independent authority set up to police election procedures. Such an authority recommended by Manitoba's Law Reform Commission in 1977 would have powers to prosecute election act infractions. That certainly is directly relevant.

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Similarly, it mentions that he has been talking about revisions to The Election Act, and he said: "I would be very reluctant to impose any restrictions on political freedoms. You would only go in that direction if a clear and important abuse was taking place. The Law Reform Commission recommended against restraint in that area." So it's quite clear, Mr. Chairman, that this matter does correctly fall under this item in the Estimates because of the nature of the recommendations, because of the comments of the Attorney-General, and because of the possibility of amendments to The Election Act. I can think of no place that is more appropriate in the Estimates in that regard.

And I remind you that, in the midst of the by-elections, that the Attorney-General decided to call a press conference in this building and, sitting beside Mr. Harold Piercy, he decided that he would make statements, both as Attorney-General of Manitoba in regard to election infractions, and by-the-by, secondarily, in his judgement as the campaign manager for the Conservative by-election campaign in the province. And I said at that time that I believe that he was mixing and confusing and abusing his rights and privileges as a Cabinet Minister. He was pretending on one hand to speak as Attorney-General, and on the other hand, he was attempting to promote the campaign of Harold Piercy. And I recall, at that particular time, being in northern Manitoba, and being absolutely thunderstruck by the headlines given to the Attorney-General - and then, of course, the criticism which correctly followed.

Now, for example, at that time he held out pamphlets of the New Democratic candidate Vic Schroeder. . . --(Interjection)-- I'm sorry, at that time he was Vic Schroeder. He then became the MLA for Rossmere. --(Interjection)-- And he . . .

MR. CHAIRMAN: Order.

MR. DOERN: The Attorney-General said that in his judgment these campaign pamphlets were improper, or well, in fact, he is much stronger than that. Those are my words. His words were much stronger. He said that, "This was a campaign of fear, smear and innuendo." And I think all of us know that things are pretty rough in Rossmere. Mr. Chairman, he then, you know, held this pamphlet up - and I can tell you that I was working in the campaign and I was one of those who delivered those pamphlets and when he made those charges, I thought, "My God, maybe there is something wrong with these pamphlets." --(Interjection)-- That's right. And I looked at the pamphlet carefully, and attempted to ascertain whether this was, in fact, some deliberate attempt by the MLA for Rossmere, then the candidate, to mislead people. This was the big point of the Attorney-General, and in my own examination, I could see nothing wrong with them.

There was no particular attempt in my judgment to mislead. There were photostated headlines and there were articles, or commentary, or whatever it was underneath. I don't believe that there was an attempt by the people who produce this pamphlet to suggest that the quotes below were verbatim quotes from the newspaper, and I don't think it was essential that they were or that they were not. I just think they were irrelevant.

So the Attorney-General made a big thing of this, and he said that he wanted to do something about this, that he was considering, as Attorney-General, to prevent the publication of opinion polls. That was one thing because there were some very uncomplimentary opinion polls being produced in the daily papers, and he said that he might establish a new body to regulate campaign literature.

Well, that sounded a lot like Judy LaMarsh to me. I remember Judy LaMarsh, one of her brainwaves in the early 1960s was a truth squad. You might recall this, that your leader, John Diefenbaker, in her judgment, told lies and she was going to form a little group and go around the country and monitor the statements made by the Conservative Prime Minister and issue correcting truthful and factual statements.

Well, of course, this thing was preposterous, and Ron Gostrick in his - what is that thing called? --(Interjection)-- Yes, the Canadian Intelligence Service. And if ever there was an unintelligent, biased, racist, lunatic organization, of course, it was his.

MRS. WESTBURY: Judy LaMarsh is not like that.

MR. DOERN: Well, if the MLA for Wolseley would like to come and defend Judy LaMarsh and her actions - sorry, Fort Rouge -- then I would invite her to come and participate.

Mr. Chairman, we want to talk about some of these particular issues. I'd like to give the Attorney-General some examples of polls. I don't know if he still has this idea in mind or not.

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MR. MERCIER: Mr. Chairman, on a point of order.

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: Mr. Chairman, I don't dispute the right of the Member for Elmwood to raise his concerns at an appropriate time. But when we're considering the Estimates of the Manitoba Law Reform Commission, I don't see the relevance of his comments.

MR. DOERN: Mr. Chairman, I think we discussed this a few minutes ago, and I spoke on that point and you allowed me to proceed. So, I intend to. . .

MR. CHAIRMAN: I'll ask all committee members to try to stick within the line because . . .

The Member for Elmwood.

MR. DOERN: I believe this is commentary on the general suggestions in regard to election procedures, in regard to election spending, in regard to enforcement of The Elections Act, in regard to possible amendments to the Elections Act, and I believe that I'm speaking correctly and strictly within those limitations. If the A.G. wants to talk about phoney polls, I want to give him a terrific example from campaign literature from the last federal election in Manitoba, from Inez Trueman, who was a Member of the House, who had the following two paragraphs in an article in the Trueman Report, which was distributed by the P.C. Party, and it was called, "Survey shows Trueman Leading." I assume that this is the kind of polling that the Attorney-General finds impossible to stomach, because I regarded this as preposterous. It said here in this campaign report: "Survey shows Trueman leading." And then here's two paragraphs, one near the beginning: "According to campaign officials. . ."

MR. GREEN: What date is on that?

MR. DOERN: There's no date on this.

MR. GREEN: Maybe she was leading on that date.

MR. DOERN: No, there's a blank there. It says, "Fill in the date." It says, "According to campaign officials," - this came out in the last week - "the survey indicated that of those sampled, they preferred Mrs. Trueman over her closest opponent by a margin of more than 10 percent." Right? And then it said, to wrap it up, because Lloyd Axworthy was, of course, rumoured to be offered a Cabinet position, so as not to be outdone, it said, "When asked about rumours of a Cabinet position, should she be elected" - you know, there was a lot of rumours about that - "Mrs. Trueman said that any decision would be that of the Prime Minister, but her first concern would be to the constituents."

So I'm saying, is that the kind of polling that the Attorney-General wants to ban? No details, no figures, no statistics, no reference to any organization, just bold statement saying that so-and-so is leading and no more. And I have to ask the Attorney-General where - I'm not familiar with this particular statement of his during the by-election, but according to Francis Russell, at the time of the by-elections, the Attorney-General was denouncing smear tactics by the NDP one moment and turning around and labelling them communists on a television show the next. I'm not familiar --(Interjection)-- that could be a confusion. It could have been the Premier who made those comments and not the Attorney-General.

When it comes to printing errors, Mr. Chairman, I would give an example that affected the Member for Fort Rouge. Because, you know, right after the Attorney-General made his statement, I think the next day, I think the MLA for Fort Rouge mentioned that the Progressive Conservative pamphlet contained a number of untruthful statements. And, she, for instance, was described as living in the riding for only six months. She said that she had lived there for six years.

So, this was drawn to the attention of Hugh MacDonald, the Conservative candidate, and he said it was a printing error. A printing error, and everybody understands those printing errors. Those printers sometimes do things that they're not supposed to. So the Attorney-General is going to offer, I guess, to proofread pamphlets for members of the opposition and members of the government. And he said that they had 10,000 leaflets scrapped and new ones printed. Well, we have to take his word for it, we don't know whether



those pamphlets were recalled or how many were distributed. A hundred, he said, roughly were distributed in one poll. Then they discovered the error and they sent out retractions. Well, he certainly had the right idea. Now, whether that was done strictly as suggested, we don't know.

And then, when we want to talk about problems of political parties, in terms of misleading or erroneous statements, one could go back to some of the campaign advertising used by the government when they were in opposition. In '77, for example, they had a TV ad and all of us remember that. The famous blank cheque \$4 million ad, where our government was accused of signing a cheque for Columbia Forest Products. --(Interjection)-- That was a good one, I mean it was quite impressive, it was good TV. There was only problem, one problem, we couldn't remember signing it. The reason we couldn't remember was, we didn't sign it, the Tories signed it. It was a Conservative cheque and a Conservative advance and that was one example.

Then there was the '73 pamphlet with the giant octopus with the tentacles grabbing the province for the state farm program. I assume that's the kind of exaggeration and falsehood and scare tactics that the Attorney-General is talking about when he wants to crack down on political pamphlets. So he's going to have to crack down on his party; he's going to have to crack down on some of his own candidates. He's going to have to look at some of the kinds of material that have gone out from the Progressive Conservative Party as well as the New Democratic Party.

I also attempted to get an opinion from the Chief Electoral Officer about some of the ads run by the MLA for River Heights, the new MLA for River Heights. He's a businessman and he ran for months - he ran advertisements in the papers presumably to promote his business. These nice pictures - I don't have all of them but this one here, for Success/Angus, there were some in track suits and sweat suits. --(Interjection)-- Well, he looks better in photographs. He had a whole series of ads, Mr. Chairman, that ran for months. Now I am sure he would argue that this was to promote his business. But it seemed quite evident to me, and I think to other people, that this was an attempt to promote himself because he was running in the by-election. --(Interjection)-- Well, all right, what's wrong with that? What's wrong with it is this, that if it's an attempt to circumvent the limitation on election expenditures or if it's an attempt to do something to avoid legitimate campaign expenses then there is something wrong with it.

And I just say that anyone looking at these ads which were in a great variety, would, I think, understand, understand the fact that the candidate was putting himself forward, because if you looked at a lot of them I think you would have a hard time believing these were ads to promote a commercial business college. It seems to me that young women looking through the papers would not believe this was an ad directed at them. --(Interjection)-- Old women might be interested. --(Interjection)-- Mr. Chairman, this is in praise of older women. So I think that these are interesting questions.

The Attorney-General said that he was going to do something about this. There was a reaction by the Winnipeg Tribune, as a matter of fact as well, because it was believed I think by some people that pressure had been put on the Tribune's editor and there was some discussion about whether the Minister of Finance, over lunch, had pressured Miss Harvey and the managing editor of the Tribune, or whether this was just a normal tête-à-tête. That's French. Remember, I now have the right to speak in both languages. Now, I know the Attorney-General doesn't speak French; I know that, because I recall when the Conservative government was first elected, that the reporters went to all the Tories and said, who speaks French? And the best, the best comment, the one that won the prize came from the Attorney-General; he said his mother spoke French. And that that was the closest that they could come was that one of the Ministers' mothers spoke French.

Mr. Chairman, I want to ask the Attorney-General whether he has abandoned the suggestions of his, whether he has given up the idea of establishing a truth squad, whether he has now decided in view of the overwhelming negative reaction of the media, of the opposition and of the public, to his proposals, whether he has given that up, or whether he still intends to proceed either on a personal basis or to establish some little body that he would appoint to regulate campaign literature; whether he intends to abandon the idea of blocking public opinion polls. And I might say on that point, Mr. Chairman, that the banning of the publication of public opinion polls, I believe, would never be successful because you could not ban the taking or the commissioning of public opinion polls. So if you block their publication the results would certainly be known. The results could be made known and could be disseminated in other ways and I think would quickly become known to the public.

So I would be interested in hearing what the Attorney-General intends to do vis-a-vis his comments of last October in relation to the introduction of legislation or procedures in the Legislature.

MR. CHAIRMAN: The Member for River Heights.

MR. GARY FILMON: Mr. Chairman, I wasn't originally going to speak on this particular item in the Estimates until the Member for Elmwood indicated what some of the text of his remarks was going to be, and as members can appreciate, the Member for Elmwood has seized upon his second major issue in this session of the Legislature. The first being the identification of the nine copies of the Autopac applications that were sent out to a resident in Thompson, and I don't intend to go further into that since I think the Minister of Highways adequately answered that, but he has, yes, he did a fantastic job, yes.

But on the other hand, the Member for Elmwood has seized upon another major issue that of censorship of advertising and perhaps more appropriately, analysis of advertising in election campaigns, and I am sure the Attorney-General wants to spend a great deal of time responding to that. But if I may, I would just like to follow up on some of the remarks that he has made because I think they are very appropriate, that of false advertising, in particular, brochures. I recall in the particular one that he provided from the Member for Rossmere that there was some follow-up by the newspapers. I recall the editor of the Tribune admonishing candidates that they ought not to use portions of the Tribune without permission in their ads, because in particular, a number of the references in this one bore no relation to the articles that appeared in the Tribune. The headline reads, "Manitoba's Tax Rebates May Cease", the Tribune, Wednesday, September 19, 1979; and then the article underneath was not extracted from that particular article in the Tribune, in fact, it was a total fabrication and terribly misleading, terribly misleading. --(Interjection)-- Whether it was an article or an editorial, the fact of the matter was that the information was not taken from the Tribune, only the headline was. Well, if that isn't a misleading endeavour, I don't know what is. Similarly, some of the portions of articles that were there. And as I say, the editor of the Tribune admonished candidates as a result of that.

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

MR. VIC SCHROEDER: Yes, thank you, Mr. Chairman, it may be privilege or order. The fact of the matter is that what the member. . .

MR. MERCIER: On the point of order, Mr. Chairman, a dispute as to facts is not a point of order or a point of privilege.

MR. SCHROEDER: The Honourable Member for River Heights is alleging that that particular pamphlet, a particular section thereof, is one which is misleading because it is not an article taken from the Tribune nor an editorial. That particular document in no way alleges that the statement contained to which he refers is either an article or an editorial from the Tribune. It does not come in quotation marks and I would ask the member to withdraw his statement. I might also say, Mr. Chairman, while I've got the chance, that from the appearance of all of these fine pamphlets I now know why I was 25 bucks over my spending limit. I had to keep replacing these pamphlets that the Tories were taking into River Heights.

MR. FILMON: Mr. Chairman, since the member wasn't here when I was so kindly provided with that by the Member for Elmwood, he can understand that the Member for Elmwood was just acceding to a request of mine to let me see it, and I was pointing out from it. You might ask him though, he indicated in the text of his discussion that he was handing them out in northern Manitoba. So that might be a source of your over-expenditure.

MR. CHAIRMAN: Maybe I could just bring attention to the committee, because I do think we're running a little bit off the item that we're on, Manitoba Law Reform Commission. If we would just have more care, we'll get more. . .

MR. FILMON: If I can then conclude, Mr. Chairman, the Member for Elmwood has seized upon the revelation that the Success/Angus Commercial College has used my

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photographs in advertising in the course of the campaign, and of course he wasn't interested in my business endeavours prior to my becoming a candidate. And I can understand that but, at the same time, there is ample evidence from all the newspapers, if he'd like to look through microfilms that our college has used both in pamphlets and in fact in newspaper advertising, my photograph or, in some cases, a sketch photograph dating back as far as 1975. If he would like to see that he's more than welcome to it. But I understand that that doesn't cover his point.

I might also indicate that the limitations for overspending on campaigns, as was pointed out by the other successful candidates in those provincial by-elections who did indeed overspend, there were no penalties and it did not result in them being removed from office, or anything of that nature. So I can't understand any particular ulterior motive that I would have in having those as part of my campaign strategy. Thank you, Mr. Chairman.

MR. MERCIER: Mr. Chairman, just two brief points. The Member for Burrows referred to the budget for the Law Reform Commission in 1978 and 1979 as being \$179,000.00. In the Public Accounts for the year ended March 31, 1978, the Manitoba Law Reform Commission is shown as having spent a total of \$87,400.00. So it merely confirms my previous advice to him that the moneys were not . . . In fact that would be almost less than half or about half of what was budgeted, which was . . . And part of the problem, I would point out, in those years, was the absence of the Chairman. Mr. Muldoon had, I think, left very early in the course of that fiscal year and that probably would have accounted for part of that underexpenditure.

Secondly, Mr. Chairman, with respect to the incisive remarks of the Member for Elmwood, I would simply indicate to him that the Throne Speech indicated there would be amendments introduced to The Elections Act this year and I'm sure that will provide him for ample opportunity to continue his remarks and express his concerns on that piece of legislation when it's introduced in the House.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman. Did not the Manitoba Law Reform Commission have a Vice-Chairman?

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: No, Mr. Chairman, there was no Vice-Chairman but there were different members of the board who carried on in the capacity of Acting Chairman.

MR. HANUSCHAK: So then I would ask the Minister, Mr. Chairman, in view of the fact that during that fiscal year the Law Reform Commission only spent approximately one-half, not quite one-half, of the amount which was appropriated it, could some of this reduction also be attributed to this government's restraint program, which the government prides itself in?

MR. MERCIER: Mr. Chairman, officials point out that there were two positions that were carried in the Budget in that year that were never filled and have now been filled with the appointment of Dean Edwards, as Chairman of the Law Reform Commission, having taken office on July 1, 1979. Those positions are now filled, many research positions.

MR. CHAIRMAN: The Member for St. Vital.

MR. WALDING: Yes, Mr. Chairman, just on that point of the Chairman of the Law Reform Commission. I'd like to ask the Minister if he can account for the long two-year vacancy in that position. Why is it that the government could not find a suitable person to serve in that capacity?

MR. CHAIRMAN: The Honourable Minister.

MR. MERCIER: Mr. Chairman, I had explained on a number of occasions prior to the appointment of Dean Edwards, which actually took place in about January. The appointment

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took place in January of 1979 but he wasn't able to take over as full-time Chairman until July 1, 1979, when he completed his duties at the University of Manitoba Law School.

But we had had some difficulty in attracting a person to that position. It's a unique position in that not very many lawyers are attracted to it because it's a term appointment and it takes someone right out of the practice of law.

At the same time, you want, in that position, a well qualified person because, in my view, the Manitoba Law Reform Commission performs a very useful and important role in reviewing our existing laws and making recommendations for changes in the law.

I think the wait was well worthwhile in the appointment of Dean Edwards' position. He is very much respected in the legal profession and in the community. He is a diligent worker and I think has done an outstanding job since he's been appointed to this position and will continue to do so in the future.

MR. WALDING: Mr. Chairman, I don't know the individual; I can make no comment on his suitability or anything else.

The question that I had asked the Minister was to why there had been that delay. It may not be two months; it might be two years; it might be only 20, or 19 months or something like that. Is it a matter that a person considering the position wouldn't want to do it on a time basis? Is it that they would not like to work in this particular level of work, or could it be that the government was not offering sufficient money?

And, perhaps in that regard, the Attorney-General could tell us what salary range was being offered when the government first began to look for a replacement for Mr. Muldoon and what the salary range was that was settled for.

MR. MERCIER: As I recollect, Mr. Chairman - I could be subject to some correction - Mr. Muldoon was earning approximately \$32,000 when he was Chairman, and I think the province was fortunate in obtaining his services for that salary. As members will be aware, he subsequently went to become vice-chairman and is now chairman of the federal Law Reform Commission of Canada. That salary was a factor, I think, in obtaining a suitable person for the position.

MR. WALDING: The second part of my question, Mr. Chairman, was, can the Minister indicate the salary range that the present incumbent started at?

MR. MERCIER: As I recollect, when he started he was - the present incumbent being Edwards that you refer to? - was earning approximately \$43,000.00.

MR. WALDING: So it would appear, Mr. Chairman, from those figures that the matter of the salary to be paid was a very important criteria in finding someone suitable. I would like to ask the Minister whether the amount that we approved last year of \$64.8 thousand for salaries included an estimated amount for the as then unselected chairman of the commission?

MR. MERCIER: The answer is yes.

MR. WALDING: I would like to ask the Minister in that case why there is an increase in that amount of something like \$20,000 for this year?

MR. MERCIER: Because, Mr. Chairman, during the course of the current fiscal year 1979-80, two research positions have been filled and they were filled part way through the year and I think that accounts for part of the increase. In addition, the chairman will be on staff for the full year.

MR. WALDING: I would like to explore with the Minister these two extra positions that the Minister mentions since they were presumably not included in the amount that the committee authorized last year. Can the Minister explain where the money came from to pay for these positions? Was it a matter of special warrants issued during the year?

MR. MERCIER: Mr. Chairman, they were included and had been included, I understand, for some time but they'd never been filled, particularly the second position had never been filled. These are research assistant positions.

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MR. WALDING: I'm still not clear about the answer that I'm getting from the Minister. If these were positions that dated back several years or for some time, I believe the Minister said, even though one of them was vacant, were not those positions covered by the appropriation that we approved last year?

MR. MERCIER: Pardon me, Mr. Chairman, would the member be kind enough to repeat that?

MR. WALDING: Mr. Chairman, the Minister had told the committee just now that there were two positions that date back for some time but one of them was vacant, and he was referring to research positions. If that was the case, did not the appropriation that the committee approved last year include those two positions?

MR. MERCIER: Mr. Chairman, the staff of the commission is composed of two full-time research officers, .26 part-time research officer, one administrative officer, one administrative officer, and .13 part-time clerical assistants to assist in the production of reports. The level that was provided for last year was 3.26 staff man years. The only increase requested is the .13 part-time clerical assistants.

MR. WALDING: Mr. Chairman, the Minister still hasn't answered my question. I asked him why there was an increase this year of almost \$20,000 in salaries and he answered me that there was an additional two research people that had been taken on staff and that is why there is an increase. I then asked him why didn't the \$64,000 last year include the provision for those positions and he hasn't given me an answer yet.

MR. MERCIER: Mr. Chairman, the information I have is that the increase this year is comprised of \$13,000 for a research assistant on a part-time basis and the temporary clerical assistants at \$3,500, for a total of \$18,500, and that amount was not included in last year's Estimates.

MR. WALDING: I haven't finished yet, Mr. Chairman. So the Minister is now telling us that the \$13,000 and the \$3,500 was not in the amount approved by the committee last year. Would that be true?

MR. MERCIER: That's correct.

MR. WALDING: So the statement made by the Minister earlier that this . . .

MR. MERCIER: I was referring back apparently to the year before last.

MR. WALDING: Mr. Chairman, my reference is to the amount that this committee approved last year and the indication that there is only .13 of a staff man year increased this year. Now the Minister is telling us, firstly, that that increase of \$18,000 is because of two research assistants and then he said, well, it was in last year's or that it goes back for quite a while. Now he is telling us that there is an increase of much more than .13, and I'm frankly confused, Mr. Chairman, and I suspect the Minister is too.

MR. MERCIER: Mr. Chairman, I hope this will finalize it. During the course of fiscal year 1979-80, half a staff man year was approved for the purpose of a research assistant which was not provided for in the Estimates for 1979-80, that is the \$13,000.00. In addition there is the thirteen weeks part-time clerical assistant, which is another addition that was not provided for last year.

MR. WALDING: Mr. Chairman, when the Minister said that half a research person was approved last year, by whom was it approved?

MR. MERCIER: It was approved through Treasury Board, Mr. Chairman, subsequent to the Estimates being approved.

MR. WALDING: Was the half a position actually filled and paid for last year or this a position approved last year that is to be filled in the coming year?

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MR. MERCIER: No, it was approved and filled during the 1979-80 fiscal year.

MR. WALDING: Will the Minister then inform the committee where the funds came from to pay this person who filled the position?

MR. MERCIER: Supplementary Supply; it was paid for through Supplementary Supply.

MR. CHAIRMAN: The time being 5:30, I am now leaving the Chair and will return at 8:00 p.m.

#### SUPPLY - LABOUR AND MANPOWER

MR. CHAIRMAN, Mr. Abe Kovnats: Committee will come to order. I would direct the honourable members to Page 68 of the Main Estimates, Department of Labour and Manpower. The item under discussion is Resolution No. 90, 2. Labour Division, Item (d) Employment Standards (1) Salaries--pass - the Honourable Minister.

MR. MacMASTER: Mr. Chairman, the Employment Standards Branch is responsible for the administration and enforcement of legislation concerning minimum standards in matters such as hours of work, vacations, general holidays, wages and their payment, maternity leave, termination of employment, and equal pay. A prime function of the branch is collecting wages found owing to employees, either through the findings of branch officers or by orders of the Manitoba Labour Board, subsequent to an adjudication hearing.

Functionally, the Employment Standards Branch administers and enforces the provisions of The Employment Standards Act, The Vacations With Pay Act, The Construction Industry Wages Act, and The Payment of Wages Act. In administering these Acts, officers of the branch conduct inspections of workplaces and payrolls to ensure compliance with the legislation, investigate complaints of suspected violation, and take whatever action is necessary to effect compliance with the requirements of legislation it administers.

In addition, the branch provides an informational service relating to enquiries respecting The Remembrance Day Act and The Retail Businesses Holiday Closing Act. Plans are now under way to increase the educational component in the branch to complement the enforcement section in order to install a greater public awareness of Labour standards and the service provided to uphold these standards. This includes a planned speaking program for Winnipeg Junior High and High Schools, or other interested groups - and we have embarked on that particular program already, Mr. Chairman.

Last year, there were 29.36 SMYs. During the course of the year we've added one to the City of Brandon, and this year we're adding one more, which will be a clerk-typist for the main office here in Winnipeg.

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

MR. CHERNIACK: I just have one item I'd like to ask the Minister. I hope he will recall this, because a long time ago, I have a clipping from May 8th, 1979 - What is that, 10 months ago? - where it was indicated that the Manitoba Medical Association arrived at a decision that it would recommend to doctors not to issue medical certificates to workers who are absent from their jobs for less than five days. I'm wondering if the Minister is familiar with that and whether he or his department have dealt with that as a problem that would affect - and that's the whole purpose of it - affect the rights of certain employees to obtain payment for sick benefit for a period of less than five days.

MR. MacMASTER: I think, Mr. Chairman, I recollect the article, too. I don't recall whether, in fact, it was put in practice in Manitoba or whether it was a recommendation from - I forget what the member said - from the executive director, or the president, or the association to its members. I have to plead ignorance; I don't know whether that was ever followed up on by that association with its doctors or not. I don't know if that's in practice today, and the department has not investigated it or looked into it in any way that I know of.

MR. CHERNIACK: Well, Mr. Chairman, just to clarify to the Minister, it's the Manitoba Medical Association's decision to recommend that this be done. It is a matter for

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MR. CHERNIACK: Well, Mr. Chairman, just to clarify to the Minister, it's the Manitoba Medical Association's decision to recommend that this be done. It is a matter for

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the Labour Department. The Minister is not familiar with whether or not they proceeded, nor am I. I would ask him then - and I'm willing to send him this clipping if he likes - I would ask him to ensure, if he agrees with me that this may be a serious problem for employees, to ensure that the practice is not being carried on in any general way. That is if he agrees with me. If he doesn't agree with me, I'd like him to say so, so we'd get some clarification on his approach or his policy.

MR. MacMASTER: Well, Mr. Chairman, I don't know if, in fact, the policy has been carried out and, if it has or hasn't, my staff tell me we have received not one reference, complaint, comment or phone call relating to the possibility of that having taken place. I don't know where we're going with this conversation but if, in fact, it took place, there has not been one communication with our department in any way, shape or form, and if it hasn't, then I guess there has not been a problem.

MR. CHERNIACK: Mr. Chairman, I just draw the Minister's attention that it was something he himself noted that long ago, so that it did come to his attention. He says that and if he's looking for an inquiry, he just received one this afternoon. And I don't want to make any issue of this. I just think it is a matter for the Employment Standards people to be aware of. Too often, employees are not aware of their rights; too often, they don't assert them, and I think it is a matter for the Department of Labour to, when it's something like this is drawn to its attention, to ensure that it makes the proper inquiries to determine whether or not people are adversely affected. That's all I'm suggesting, no more than that.

MR. MacMASTER: Just following along the line of what the member has said about making people aware, we're . . . at least I'm certainly very pleased with the new direction that the department is taking in not only making the adult part of our population aware, but I think the Member for St. Johns would certainly agree that our efforts going into the schools and trying to educate our young people as they come into the workplace is something that's long overdue, so that they know their rights and also they know their obligations. But they know basically some of the laws that apply so when they step out of high schools if, in fact, they go directly to employment, that they have an understanding of the basic rights and privileges that they will be working under when they get out in the workplace in Manitoba. So I concur that the education end is certainly important and I'll check into the MMA's position and what they've done about it since then.

MR. CHERNIACK: Mr. Chairman, I do want to take the opportunity to express interest in the program that was referred by the Minister of Labour regarding instruction and advice given to pupils in the schools.

I must say that I do not have confidence in the Department of Education, whose Minister is present in the Chamber now, to carry forward progressive programs, in the light of its own record in regard to the material which had been developed and sponsored by the credit union movement, in regard to other progressive educational tools that have been in the school system and which have, to my mind, been suppressed by the Department of Education, which I believe has a reactionary attitude. So I'm hoping that the Minister of Labour, who seems proud of a program that he thinks is being carried on in the school, monitors the Department of Education to ensure that the Minister of Education and the people who work with him are not actually boycotting or frustrating the efforts of a progressive department, such as the Minister of Labour describes his work to be in this regard.

MR. CHAIRMAN: (1)--pass. The Honourable Member for Kildonan.

MR. FOX: Yes, Mr. Chairman, in view of the continual and increasing rise in the cost of living, can the Minister indicate whether he has given any further thought to the increase in the minimum wage and giving sufficient lead time to industry to adjust to it, and also whether he has considered applying a formula that would be tied in with the rising cost of living, so that possibly he wouldn't have to be announcing these things after the fact?

Also, I should like to say, in view of the fact that there was almost a three year hiatus between announcement of wage increases for the minimum wage, does he not believe that it is time that a realistic look was taken at this particular area, so that the people trying to earn a living at this particular level would not continually be under duress and forcing them to go on welfare because they can't afford to live at that low level?



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MR. MacMASTER: I appreciate the concern expressed by the Member for Kildonan. I can only say to him that we're still the third highest in our country, with two provinces that are in fact substantially ahead, Quebec and Saskatchewan. And the rest of the provinces are 10, most of them 15 cents, some of them 20 and 25 cents behind us. I haven't given any further thought to the formula though I must explain that by saying that it is never completely out of a person's mind when a particular proposal has been presented and sometimes withdrawn and put back in such a wide variety of numbers of ways. I had thought later on in this year that I would certainly sit down with the Minimum Wage Board and have discussions with them.

Once again, though I have said in the past that the efforts of that body may be admirable but there is no history of any political party of any stripe ever really adhering to the recommendations, but I still am prepared later on this year to sit down with them and have a discussion on the minimum wage situation.

MR. FOX: Just to follow up, Mr. Chairman, probably the figures that the Minister uses in respect to minimum wage that we are the third highest may not be true anymore. I believe there have been some increases in a number of other areas. But the fact remains that Winnipeg, which has more than half the population of Manitoba, has had the highest cost of living across the nation, and so therefore, we should have the highest and not the third highest minimum wage if we're going to use that as a criterion.

Again, I say, we also have to recall that it was almost three years without an increase that took place, and that put all of those people, even though there was a ten cent increase for the first six months and again a ten cent increase in January, all of those people are still very very far behind in trying to maintain their livelihood. I would really urge the Minister to have another hard look at this.

MR. CHAIRMAN: (1)--pass. The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Well, Mr. Chairman, I had not intended to enter into the debate but the answer that the Minister gave just a moment ago with respect as to why the minimum wage has not been altered or increased in recent times, does bother me. The Minister alluded to the fact that Manitoba is of course in the area of third place compared to the other provinces with respect to the level of minimum wages. And it occurred to me that that really is not the relevant yardstick, Mr. Chairman, because we have seen a number of reports over the years showing Winnipeg as being one of the high cost areas as far as living costs go because of climatic conditions, energy costs, which we consume in greater proportion annually per family, per household, than for example, people do in the labour areas of Ontario.

There are transportation costs that are greater for western Canadians than they are for central Canadians, and so on. And so the Minister is attempting to suggest that there is some credibility to the idea that being in third place here still leaves us plenty of room, that in fact he is trying to leave the impression that we are somewhat more generous than we might want to be or should be perhaps, with respect to legislation on wages in this province.

I would like to suggest to the Minister that we have nothing to be proud of with respect to the wage scale, at the bottom end of the scale that is, and that is the minimum wage group, given the fact that we have had such astronomical increases in the cost of goods and services, almost on a monthly basis during the course of the last twelve months, Mr. Chairman. As a matter of fact, had the Minister been on his toes, he should have been increasing those wages every few months just to keep up with it. Just to stand still, Mr. Chairman, he would have had to make increases over the last twelve months at least three or four times.

And so we are somewhat bewildered here as to why the government takes the attitude that it does not have a very important role to play with respect to what is expected to be the minimum standard of living for Manitobans who, for whatever reason, happen to be employed in industries which do not pay more than what the legislation requires them to pay.

I think that's not good enough, Mr. Chairman. I think the government has a role to respond to changing needs, based on the changes that are taking place in the economy. And I am sure that if one took a good look at economic conditions in 1977 and again now in 1980, that one would quickly conclude that the minimum wage adjustments fell far behind the adjustments, upward adjustments, in the costs of goods and services that Manitobans must finance in the course of their daily needs, in the course of their shelter payments, in the course of their food requirements, and so on.

So it's just not good enough, Mr. Chairman. I don't believe that we should be satisfied with a statement that because we're in third place that it seems to be reasonable that that's the place we should be in terms of wage scale compared to the rest of Canada. It seems to me that we should be moving towards an era where we really don't have such a thing as a minimum wage. Perhaps we should have something that almost - well, perhaps I'm suggesting something too futuristic - that would require that people be either organized to bargain for themselves, so that Ministerial discretion would not be a factor in wages in this province. But until that happens, Mr. Chairman, and I'm talking about society where 95 percent or 100 percent of the people are organized to bargain for themselves, but since we're not going to be there tomorrow nor the day after and perhaps not in the next decade, I think the Minister has a responsibility to assure that people have relatively fair standards of living, regardless of the wage scale.

Now, Mr. Chairman, if one wants to be very cautious and conservative about that, there's an argument to be made. Because to the extent that people can't make ends meet on minimum wage salaries, we find that there is a real incentive for those people to drop out of the work force and become dependents on society. And you end up in the so-called welfare syndrome where people of ability are forced, because of the wage scales, into the welfare system. And ultimately we end up with a situation where we breed welfare, Mr. Chairman, and that's a disaster. We are destroying human beings, that's what we are doing, and we are charging the costs of their destruction - we're not doing it on the cheap, Mr. Chairman, it costs money to destroy people - we are destroying them through the welfare system, we're destroying them because they don't have jobs that pay reasonable wages, and we create a liability on the rest of the taxpayers, who are basically the middle income tax-paying group who have to shelter more and more people to the extent that they are unable to find their way in the economic system that we have. And I believe it's the government's responsibility to assure that that particular group shrinks year after year, rather than becomes a larger ghetto of half-employed or not employed employable people.

MR. MacMASTER: Well, I notice that the Member for Lac du Bonnet is suggesting that possibly the government should consider some type of forced unionism on all Manitobans. That's really what the words were and I'm sure a lot of Manitobans will be quite interested in hearing that philosophy.

I can agree in part what he's saying that there are problems with those that are on the minimum wage but the reverse, of course, of that argument is always presented and I think it has some validity; and I say some, because when you're talking about this particular subject, there are pros and cons on both sides, but there are a large number of people that get started, as a matter of fact, into the work force because the minimum wage is what it is. If it was \$4.50 or \$5.00 they might not get started and a lot of them get started at that particular wage and they get themselves trained and they move up the ladder, in a lot of cases rather rapidly. But it's an entry rate. We've had this debate last session for I don't know how long, and I don't know who really wins the debate on it, but in a large number of cases that minimum wage is in fact a starting rate to get in, get started and get yourself familiar with what you're doing and move up the ladder. And that's the case in a lot of instances.

MR. USKIW: Well, Mr. Chairman, I would like to ask the Minister whether or not he feels comfortable with the idea that we've now had a period of time where certain sectors are no longer covered by The Minimum Wage Act and whether he is satisfied with the disposition of that group of people and their salaries, as they have been able to determine for themselves in the bargaining process as between themselves and their employers, given the fact that they do not have collective bargaining facilities, by and large, in that particular part of our economy.

I would like to know whether the Minister has statistical evidence to show that that group that he deleted from the minimum wage regulations in this province is doing as well or better than they had been doing before they were deleted from this particular category, Mr. Chairman. Perhaps the Minister may have some information for the House.

MR. MacMASTER: I think the record should be clear to the Member for Lac du Bonnet that this government did not delete groups and I think we should repeat that. We did not delete groups. There has been a deletion of certain groups within society in Manitoba for a good number of years. This government, I repeat, did not delete any particular groups.

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MR. USKIW: Well, Mr. Chairman, perhaps the Minister may correct me, but my impression is that in some areas of the service industry, the hotel industry, the restaurant industry, that those groups are no longer covered by The Minimum Wage Act. If I am wrong, I would be pleased to be corrected, Mr. Chairman.

MR. MacMASTER: They are covered by The Minimum Wage Act. There was no deletions.

MR. USKIW: Mr. Chairman, can the Minister indicate to the House whether or not the minimum wage increases that take place from time to time and the most recent increase, whether that applied to all Manitobans in the work force, if they were working outside of a collective bargaining agreement?

MR. MacMASTER: No, it didn't, Mr. Chairman. There are a good number of exclusions that have been in place for a good number of years.

MR. USKIW: Mr. Chairman, perhaps the Minister would facilitate the debate if he would then enumerate the most recent exclusions to which I am referring, because there were a number of exclusions announced only a year ago or perhaps a little more than a year ago. And it seems to me that it's incumbent on the part of the Minister and the government that when they exclude a group from those provisions from that kind of shelter in wage law, that they ought to monitor what takes place with that group to determine whether or not that group's position has been enhanced economically or whether it has been retarded, and certainly I would expect that this Minister would want to satisfy himself that that was a positive step, not a negative one.

MR. MacMASTER: If he's talking about the people that were associated with liquor dispensation - and I don't know if that is what he's talking about - if he's talking about exclusions, well, I think the Member for Lac du Bonnet is quite capable of answering himself. That particular group still has the possibilities and certainly more than possibilities, they certainly are in the tip receiving area and that's part of the reason that they were not permitted the increase that we gave to the others that are working outside that industry. But the exclusions that have been in place for a good number of years are still there.

MR. USKIW: Mr. Chairman, is the Minister trying to imply to this Assembly that those people who were covered by minimum wage law up until most recently when the changes were made, that they were not receiving tips up until that point in time? Is that what he is trying to make this House believe?

Well, Mr. Chairman, the Minister is using as an excuse that there is a group in our society who receive tips in the course of the carrying out of their duties and the responsibilities on their job. They were always in that position, Mr. Chairman. So when that group was deleted from the application of minimum wage law, in effect this Minister caused them to suffer a reduction in their pay. That's what took place, Mr. Chairman, because the people that pass out the tips aren't concerned or cognizant of the fact that there has been a reduction in wages to that particular group of people and, therefore, it has to be offset in some way by a more generous tipping allowance on the part of the patrons of those establishments.

Now certainly the Minister cannot convince me, and I am sure he can't convince anyone, that he did not create a reduction in take home pay for a good portion, a good sector of our economy, with that one stroke of a pen, Mr. Chairman, and he will be the only Minister that I know of, in terms of the last two or three decades that I can recall, who has, in effect, in an inflationary period of time has caused a group, through his actions, to suffer a reduction in wages.

MR. MacMASTER: They didn't get the increase that the others, particularly got, Mr. Chairman; that we agree with.

MR. USKIW: Well, Mr. Chairman, I now ask the Minister if he would inform the House why they are not entitled to maintain a standard of living somewhat comparable to what other people in the same kinds of industry are receiving, albeit not adequate, but why is that one group not entitled to receive protection under minimum wage laws just because they happen to be employed in a certain area?

MR. MacMASTER: It was felt that a gap could be established and would be good for the industry and in any future increases that gap may not be extended, Mr. Chairman.

MR. USKIW: Well, Mr. Chairman, we now have arrived at the point where the Minister agrees there is now a gap between different groups covered by minimum wage laws in Manitoba. He is now suggesting that there is discrimination between groups. I would like him to justify in this House why there ought to be any kind of discrimination. We now know there is a discrimination between groups in the area of the service industry. But, Mr. Chairman, there are others, Mr. Chairman, who receive tips, gratuities, of all sorts, that have collective agreements. That doesn't seem to enter into the debate. People that earn \$20,000 a year may have tips or whatever from their customers. That's an every day occurrence in our society. So I don't know how the Minister can justify the fact that because one particular group, the people that serve beverages, because they receive tips that they are not entitled to the protection of the state with respect to wage laws.

MR. MacMASTER: They are protected at a different rate, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Chairman. This is a topic that is one that I have raised in this House on a few occasions, and what the Minister has now is . . . bad enough that before we had two classifications; we had for those who were under the age of eighteen a wage differential but now the Minister has created three wage differentials. We have those that are now, as of January 1st, receiving \$3.15 an hour; we have those that work within the service industries who are receiving \$2.95 an hour; we have those that are under the age of eighteen receiving \$2.70 an hour.

What I just can't seem to fathom, and I guess the people out there can't fathom it either, is that the Minister saw fit to order an increase as of January 1st of a further ten cents an hour for those who are already receiving the maximum under the minimum wage, but for those who were under the age of eighteen, for those who worked in service industries where liquor was served, they have now fallen another further ten cents an hour behind what the wage differential was before. --(Interjection)-- Well, it's twenty cents, but I mean the recent increase has put them a further ten cents an hour back of where they were as of the 1st of July. I believe that was the 1st of July when the . . . Yes, effective the 1st of July the minimum wage in Manitoba was, for employees under the age of eighteen and over, was increased from \$2.95 an hour to \$3.05 an hour. And as of January 1st, the minimum wage was increased further to \$3.15 an hour for employees eighteen years of age and over, provided they didn't work in service industries.

So now we have the Minister establishing three categories. I can assure the Minister that I never agreed with the two categories in the first place, because I think that that person, even if he's under age eighteen, goes into an organized plant, he doesn't start at a learner's wage unless he's serving an apprenticeship and then he has a definite wage scale increase which is set out in his indenture papers. But we don't have an indenture system within the minimum wage. There is nothing within the system that says that the person, except when he reaches the age of eighteen, he will automatically jump from \$2.70 an hour to \$3.15, provided he or she doesn't work within a service industry where liquor is served.

And I think that the Member for Lac du Bonnet has pointed out quite adequately to the Minister that these people received those tips before. There are other people who might work in restaurants where there may be no liquor served who are receiving tips, and perhaps I shouldn't talk about it because the Minister may take it into his head to exclude these people also. There are people that are working in various industries that can receive tips and I think that the Minister wants to take a real good hard look at this thing. You've had twenty-seven months in office to do something. And I know the Minister hasn't been in the office of the Minister of Labour for twenty-seven months but he's been there for the biggest part of the twenty-seven months.

We've had resolutions before this House. The Minister and the government saw fit not to adopt them but in the meantime they have come up with no other solutions. Perhaps the minimum wage should be tied to the cost of living increases, at least in the fact that the cost of living is increasing all the time for these people. They are falling further and further and further behind. Wage increases go up, prices go up, the cost of even travelling to and from work is going up, because of the cutbacks of the government to the municipal authorities.

The cost of their fare increases; just to go to work, has cost them more. But in the meantime, if they work in these two categories, they are there, and the only way they can come out of it is they either leave the service industry where they have been receiving tips and go into another industry that pays the minimum wage, then they can have a 20-cent hour increase. And for those who are under the age of eighteen, the only salvation for them is to hope that they reach the age of eighteen in a hurry.

But to say that the Minister is studying this, well, good godfather, Mr. Chairman, they've had twenty-seven months to study this. And I think it was only the fact that we, on this side of the House, poked and prodded, cajoled, that we even got the minimal increases that were put in. I think they were shamed into it, but evidently we didn't do our job well enough because we weren't able to shame them into something better than what they came up with. It was an absolute insult to the people who are working on the minimum wage.

And I agree with the Member for Lac du Bonnet, if we were 95 percent organized, we wouldn't need a minimum wage because the other 5 percent wouldn't go and work for that kind of a wage. But, unfortunately, we don't have 95 or 90 percent of our wage earners here in Manitoba, or even in this country, organized.

But I think that there is a formula; if you don't like that formula, get the Minimum Wage Board together or devise your own formula. There are many methods by which you can tie this in. Get it off your back, get this monkey off your back that is there. It's going to be there progressively and it's going to stay there for all Ministers of Labour until you come up with something that will bring the increases. But, godfathers, we did the same thing here in this Chamber. That is how the members stipend that they receive for attending this Legislature has been geared to cost of living and industrial wage complex; I just forget the formula. If we can see fit to give that sort of a formula to ourselves, surely we have many people out there who deserve at least something similar, especially those people who have no organization, no one to speak on their behalf. If they try to organize, in many cases, regardless of all the changes that are made in Labour legislation, they get fired. It still happens, the Minister knows that, I know that, the people of Manitoba know that.

When an organizational drive is taking place, there are still people who are losing their jobs because of the organizational activities. There are many methods by which the employer may reinstate them after the Labour Board makes a decision. But then they say to the person, he's not doing his job properly and whatnot. There's all kinds of method by which they can get rid of people that might be a pain in the neck to the employers. I'm sure that the Minister of Labour has had that experience in his experience as a trade unionist and as an organizer. There are methods by which an employer can get rid of you, and for these people, even if they were organized, I can tell you that the first agreement that they would have, they would be bargaining from either \$3.15 an hour; if they were in the service industries serving liquor, they would be bargaining from \$2.95 an hour and if they got a 20 percent increase, you know what 20 percent of nothing is still practically nothing.

And to say that we are the third highest in Canada. I don't care what they do in Saskatchewan, Alberta, British Columbia, and Quebec. We're not elected as representatives to represent the country as a whole; we're elected as representatives for here for the province of Manitoba. And I think that the people here in Manitoba, the people who, unfortunately, have to work at the minimum wage, I think it behoves us, as legislators, to make sure that these people are treated fairly, not only by their employers but by society as a whole, because the cost of living has risen so drastically within the past couple of years. These people, if they're trying to buy a home, can you imagine these people trying to buy a home on the minimum wage today with the increases in the cost of borrowing? I don't know what kind of shelter that these people are going to be able to provide for themselves in the future, but certainly we've got to take a good hard look at this minimum wage and not come along with piddling 10-cent increases every six months, because they just don't make any sense whatsoever, not to those people who are out there having to work at that wage.

MR. MacMASTER: Well, a couple of points, again I say, and I know it isn't being too well accepted by my friends opposite, that your minimum wage is a minimum starting point, and hopefully it is used as a starting point for people to get into the work force and get themselves accustomed to it and give themselves the opportunity to familiarize themselves with it, and work their way up through the organization that they're in.

I don't know what the member was referring to when he said "Cut back in municipality funds to municipalities." I'm sure that he'll direct that particular question to the Minister responsible for Municipal Affairs.

I should say to him though and repeat what I've said, because the thing keeps coming out, if everybody was organized, and as the Member for Lac du Bonnet said, we should really infer that we should force unionism onto people in Manitoba, and I can't accept that. I did that for a long period of time, the unionizing business, and as a union organizer I don't remember using force in any way, shape or form, and if you did, you'd end up with a less than enthusiastic group of people, if you followed that philosophy on, and I have no intention of suggesting forced unionism on the people of Manitoba.

To enlarge on what I said the other night to the Member for Inkster, when we were philosophizing, if you wish, about this same sort of a topic, yes, I suppose there still are problems in organizing unions. There may not be those types of problems if you would follow the philosophy that I was taught many years when I was organizing, not to tinker around and fool around with the 50 percent plus 1 or whatever. I was taught that you go after 70 percent; you get your cards all signed up; you make a solid application and there is no problem with the laws in this country.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I'd like to add some remarks with respect to the two level minimum wage. My impression is that the government of the province has legislated a minimum wage for a major part of the work force, and has excepted from the minimum wage those people in the service industry who serve alcoholic beverages. And for those people, the minimum wage is lower, and this is done, Mr. Chairman, on the assumption that gratuities are a fact of life, that the person who is serving alcoholic beverage presumably is going to get a nice gratuity. I suppose it is implied that will be stimulated by the drinking of the alcoholic beverage and, accordingly, in view of the fact that government of the province assumes that the alcoholic beverage is going to result in an increased gratuity to that person, it has provided for a lower minimum wage, given the assumption again that the person is going to make the money by additional wages.

Now I want to make what I believe, Mr. Chairman, is a fundamental objection to that thesis.. And before doing so, I want the House to know that this is a matter in which I have more than a passing interest, more than a philosophical interest since two of my daughters are affected by this minimum wage and another of my offspring, a son, was certainly serving alcoholic beverages, as a waiter, but no longer does so and when he did he was on an equal level, that there were no differential in the wages.

Mr. Chairman, I make my objection for two reasons: one is that it's not only people serving alcoholic beverages who earn gratuities; there are many people who earn gratuities. It comes to mind very quickly, taxi driver earn gratuities, people in hotels, valets, bellboys, all kinds of people earn gratuities, and, indeed, people who serve beverages which are not alcoholic and in restaurants earn gratuity. And, therefore, there is a distinction created within the distinction again, and we can only assume that the alcoholic beverages are supposed to stimulate pay.

Now, that's the first objection, Mr. Chairman, and it's not the more substantial of my objections, at least in my judgment. The substantial objection is that no wage laws are based on a theory that the wages are discretionary to the person paying them, and for the Minister to adopt a wage law based on it being discretionary is fundamentally opposed to any system of wages. The waiter or the waitress, or the serving person . . . To satisfy some of my honourable friends, who are obviously more advanced in this area than I am, I will say waiter or waitress and I have never had a higher regard for one or the other, although I will admit, and again this gets me into trouble with some of my female colleagues, that I probably pay more attention to the waitress who is serving me than I pay to the waiter who is serving me, and I can't help that, Mr. Chairman; some people are able to say that it makes no difference, I can't say that it makes no difference and I willingly admit it. But, Mr. Chairman, what I do say, is that it is fundamentally unjust, it is fundamentally wrong to base wages on the option of somebody to pay them or not. Because gratuities are a fact of life in all cases or not is irrelevant. The fact is that there is no compellable way for that waiter or waitress to collect the wages that the Honourable Minister of Labour says she or he is entitled to. They are not wages, they cannot be demanded, and if, Mr. Chairman, they are going to change fundamentally in character, then you have to go much further than how you have gone. And I'm not suggesting this but I'm merely trying to demonstrate to the Minister that it is not a system of wages which any Minister of Labour should go to the public and feel proud in presenting.

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In many European establishments, the waiter may work for the service charge, but the service charge is on the bill; it is added to the bill at 15 percent or another percent, and that is what he is working for and it is a compellable wage. It is not an optional wage. It is part of the bill, can be recovered at law, in the same way as the payment for the meal can be recovered.

Now I want to know what the Minister of Labour is going to do for those labourers, who he says should be getting wages, who happen not to be paid. Now we know what you do when an employer doesn't pay you; he's got a Recovery of Wages Act. Where is The Recovery of Gratuities Act? It doesn't exist, Mr. Chairman. And the fact is that the Minister is presuming a wage when none is there.

Now, I'm not going to close my eyes to the facts that most people leave a gratuity, or many people leave a gratuity, but that's what it is. It is a gratuity which they happen to leave because they want the person who has served them to receive something from them. And they may not want it and it has none of the characteristics of wages which should be within the province of Minister of Labour. He should have nothing to do with gratuities, and if he has nothing to do with gratuities. Mr. Chairman, he cannot say that the person who receives the gratuity should get less pay than the person who does not receive a gratuity.

Now I ask the Minister to examine that. I know that the hotelkeepers and the restaurant lobbies have assured him that in certain places people paid for their jobs. It's true. In certain places, the competition to get those gratuities is so high that not only do you not get the minimum wage —(Interjection)— Well, that's a different form of payment, but there are people who seek to get work in very very sophisticated establishments and pay for it. Now, Mr. Chairman, I'm suggesting that that should not be the basis upon which a person earns income under the Department of Labour in the Province of Manitoba; that the basis upon which we earn wages, and we hope that wages will be earned, is on the basis that they are a recompense, recoverable at law by the person who does the work.

And I repeat to the Minister, there is no way that he is able to say today that the person who he presumes is going to get a wage and which he has calculated as a wage, can recover that wage. You cannot recover it under The Wages Recovery Act, you cannot enforce it in any way as between the restaurant and the employee and you cannot enforce it between the patron and the employee.

And in that respect, Mr. Chairman, the direction that the Department of Labour went last year - was it last year that they first did it? I'm going to use the term that the Minister picked up on me last time, is a reactionary, regressive, unacceptable form of wages and should be reconsidered and should be re-established, Mr. Chairman, and there will be no great suffering, there will be no great suffering. The people who serve these beverages and the people who my honourable friend thinks are going to pay gratuities will still frequent the restaurants. The amount that has to be paid will be added to the bill. There will be a normal recovery between the waitress or waiter and the establishment, and she or he may or may not get a gratuity and it may be higher or lower. It may be lower because the amount of the bill may be somewhat higher. But it will maintain the integrity of wages, earnings, income, and not charitable donations on the basis of having smiled more often or less often in doing the work. Whether a person continues to be employed on the basis of having properly served their customers should be one that is established by performance of employment as between the employer and the employee. And the other factor, Mr. Chairman, I suggest you should not be considered at all. And if we are going to consider it, it has to be changed much more radically than what the Minister has done. And let there be no misunderstanding, I'm not advocating such a change. I believe that such a change would be even still more reactionary.

But the Minister has moved a little distance along a road to a much less satisfactory condition of employment than existed when all of his people, all of the people for which he assumes responsibility for in the labour force in the Province of Manitoba, were not divided into those whom he thinks might get some additional wages by means of a gratuity but which he has absolutely no control over, and those people who are not going to receive their gratuity. The division is artificial, it is worse than artificial, it is debilitating and I would ask the Minister to reconsider his position in that connection.

MR. CHAIRMAN: (1)--pass; (2)--pass; (d)--pass. Item (e) Manitoba Labour Bboard. (1)Salaries--pass. The Honourable Minister.

MR. MacMASTER: Mr. Chairman, the Manitoba Labour Board is responsible for the administration of certain sections of The Labour Relations Act, Employment Standards Act,

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Instruction Industry Wages Act, Vacation with Pay Act, Payment of Wages Act, Workplace Safety and Health Act.

In the past year, the Board dealt with some 932 cases under these various acts with hearings being held in Winnipeg and various rural areas on an average of three days per week. It is anticipated that the number of cases dealt with this year will be substantially higher than last year, keeping in mind that in the first four months of this year the Board has already received 391 cases. As a result the Board anticipates an increase in the number of days they will be required to meet. The Board is comprised of the chairman, vice-chairman and sixteen board members, eight representing the view of labour, and eight the view of management.

The Board is also assisted administratively by the registrar, two board officers, and three clerical employees. Last year there were seven SMYs, this year there are seven SMYs, Mr. Chairman.

MR. GREEN: Yes, Mr. Chairman, I would like to make just a few comments on the composition of the Manitoba Labour Board and I will say immediately, Mr. Chairman, that I am not making comments critical of the present board; I'm rather coming to the defense of the previous board. I can recall, Mr. Chairman, and I wish to go on record now, I wish to go on the record to recall the hypocrisy of certain management groups and certain people in public life who criticized the New Democratic Party because Murdoch MacKay, one of its presidents, was the chairman of the Manitoba Labour Board; and I think, Mr. Chairman, even those who criticized, were quick to say that Mr. MacKay was an excellent chairman, that he performed his work very well, that he did an excellent job, and that he gave good service to the people and made sound decisions, Mr. Chairman. Very few of the decisions of which Mr. MacKay participated, were overruled by any courts.

Mr. Chairman, I am now wishing to direct your attention and the attention of members of this House to the silence of the same people, silence to the fact that the Conservative government has appointed a former Minister of Labour, Cabinet Minister, long-time Conservative, to be a chairman of the Manitoba Labour Board, and I make no criticism of that. Lest there be any misunderstanding about my position, Mr. Chairman, I will make it quite clear now, that if I have any position of power to make appointments I will appoint qualified people, competent people, but it's much more likely that I will find them amongst my friends than I will find them amongst my enemies, and I have no difficulty in that connection whatsoever. And for those who have been making noises about patronage on both sides of the House, and the First Minister's remarks yesterday on the appointments that had been made when we were in government certainly don't take into account the realism of his own unappointments. And I have no objection to his appointments; and I have no objection to the appointment of the former Minister of Labour to be the chairman of the Labour Board. I will deal with the Labour Board and I do appear before the Labour Board and try to do the best I can and if I feel that they are wrong I will take appropriate proceedings.

But I want, Mr. Chairman, to note the silence, the very deafening silence of all of those who made such a fuss about the fact that Murdoch MacKay, a president of the New Democratic Party, was appointed to be the chairman of the Manitoba Labour Board. He was a good chairman. I certainly hope that the present chairman is doing a good job. I have absolutely no comment to make critical of his work in connection with the Labour Board. If I have some criticism of what he is doing I will use the appropriate procedures that are available in courts to deal with that matter.

And I therefore take this opportunity, Mr. Chairman, of merely coming to the belated defense and going on the record of the previous appointment to the Labour Board, as having been a very good appointment.

MR. CHAIRMAN: (1)--pass. The Honourable Minister.

MR. MacMASTER: Well, I wasn't part of the Assembly at the time so I don't know what criticism was directed at Mr. Murdoch MacKay, but I do remember that the only criticism I heard was the fact that during by-election periods of time that allegedly the member had carried on in a capacity that there were those that thought that he shouldn't have, when he'd won nomination to run in by-elections and was carrying on as chairman of the Labour Board. I concur with what the Member for Inkster said. I don't have any documentation to establish any lack of credibility with the former Chairman.

MR. CHAIRMAN: Order please. The hour being 4:30, Private Members' Hour, I am interrupting the proceedings, and will return at 8:00 p.m. this evening.



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#### PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. The first item of business on Tuesdays, Private Bills followed by Public Bills and then we get to Private Members' Resolutions. The first resolution on the Order Paper today is Resolution No. 6. The Honourable Minister of Government Services.

MR. ENNS: Mr. Speaker, just to seek your advice, the government did accept or indicate to the Honourable Member for Churchill, I believe, that there would be some further information with respect to the derailment of the CNR freight train at McGregor. The Minister who was to give that report is not yet in his seat. I have some additional information with respect to Emergency Measures Organization involvement and would be happy to provide that information to the House if that is the will of the House, Mr. Speaker.

MR. SPEAKER: Order please. Is that agreeable with the House? Has the honourable member copies of that statement?

MR. ENNS: Mr. Speaker, just on the point of order if I may, I merely rose to indicate that a commitment was made by members of the government bench to make some response at this time. Regrettably the Minister most directly involved is not in his chair and I am prepared to provide some additional information, but obviously not in the usual way by having prepared copies of statements available.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, we'd waive the production of a statement reserving our right to respond of course to the Minister's verbal statement.

#### MINISTERIAL STATEMENT

MR. SPEAKER: The Honourable Minister of Government Services.

MR. ENNS: Thank you very much, Mr. Speaker, and to the Honourable Leader of the Opposition, it is by way of information I think that the Honourable Member for Churchill requested. His specific question was, if I recall, the involvement of Emergency Measures Organizations at the site of this accident.

I can indicate to him, through you, Sir, the following: At 2:35 a.m., or minutes after the accident occurred at MacGregor, the CNR called the government Emergency Measures Organizations' office indicating the nature of the derailment. There was some concern at that time expressed by CNR that chlorine was involved and a possible leak of that substance might be expected.

Further checks by an officer of the Emergency Measures Organization, who immediately informed RCMP, and upon further checking with the CNR as to the actual contents involved, indicated that the substance was not chlorine but a vinyl chloride product, which while inflammable and dangerous from that point of view, did not have the danger associated to environment and/or citizens in the immediate area that the chlorine gas has.

The RCMP were notified and were on the spot by 3:35; the Environmental Department had personnel in the person of Mr. Ediger in charge to concern themselves with the environmental problems that may or may not be associated with the derailment.

So in short, Mr. Speaker, and the Minister, I understand, is still expected back by 5:30. He may wish then, by leave, to make some further information available, but the particular response to the question was whether or not Emergency Measures Organizations was in fact involved, and when they were involved, and what steps they had undertaken.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. The Minister is absolutely correct in his response to the first question. I can only inform him that that was to be one of a series of questions and there were other questions that we on this side had felt should be answered by the department and by the government, and we still feel that way and would welcome further

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information, because this of course is a very serious concern to all Manitobans, whether they live in the vicinity or whether they do not.

I do not feel free at this point to comment on the relative dangers of vinyl chloride versus chlorine; one would have to examine that further. But I do want to talk just very briefly about vinyl chloride, the substance that is actually involved, because it is indeed a very serious health hazard and a very serious environmental hazard.

It was first discovered in 1837 but didn't reach wide-scale production until 1938. Since that time, when it was relatively unknown, Mr. Speaker, there is now billions upon billions, anywhere in the neighborhood of seven to eight billions of pounds of vinyl chloride produced every year and entering the environment in one way or another. We all come in contact with it. It is not a dangerous substance in itself; it is only dangerous in certain situations. But it is one of those 500,000 chemicals that we talked about yesterday and that we must concern ourselves with. It is very specifically one of the 2,000 suspected carcinogens. It is a cancer-producing agent, Mr. Speaker. It produces angiosarcoma of the liver and it appears in people who have been exposed to it up to 20 years later, and it does so at levels that are measured in parts per million, so it does so at extremely low levels, Mr. Speaker.

Let me just very briefly comment on the danger that it poses for the people in the area, people who come in contact with it, people who must work with it. In Los Angeles, one would expect statistically one out of every 52,000 deaths recorded in that city to be due to angiosarcoma of the liver. In chemical workers who have to deal with this substance on a day by day basis, we don't find figures of one in every 52,000; we find figures of one in every eight workers die because of angiosarcoma of the liver and that can be attributed definitely to this very serious chemical, this very potent carcinogen. It has toxic effects on the liver, on the kidney; in larger doses it can produce skin and bone abnormalities.

In Ohio, where one of the studies was done, it was shown that people living in the vicinity of a plant and being exposed to the fumes, that women who were pregnant had a higher proportion of children with birth defects, mainly brain tumours, and statistically this has been related to vinyl chloride exposure.

In 1976, the Environmental Protection Agency of the United States classified it as a hazardous air pollutant because of those sort of studies that were done.

The reason I want this information on the record is I believe that the people in the area have the right to know. It is something that we ask for the workers in the plants; it is also something that we ask for people who must live in a contaminated environment, that they have the right to know exactly what it is that they are being exposed to. So we were going to ask a series of questions, and we will ask those questions in days to come, as to what action the government is going to take in this regard, because the government must take action in this regard. It is a serious environmental problem, whether it's a small leak or a large leak.

We talked about the lily pond yesterday and I don't want to go into that in any detail but this could be one more lily pad, and those of you who heard the story will know to which I refer. So we are not going to talk about so much as what happened nor will we talk so much about what could have happened, or what damn near did happen, Mr. Speaker, because we must deal with this accident specifically. We must examine it carefully - and when I say "we", I mean the government - we must learn from this experience, because we have been lucky, we have been very lucky in this regard; we must avoid the Mississaugas in Manitoba. This could have been a Manitoba Mississauga. It could have been Mississauga No. 2 and, as citizens of this province, we can only be thankful that it was not, that it was not of that impact, that it was not of that significance, but we must learn and we must take the knowledge that we have gained and apply it to preventing this from happening in the future.

Thank you.

#### RESOLUTION NO. 6 - McKENZIE SEEDS COMPANY

MR. SPEAKER: Resolution No. 6. The Honourable Member for Brandon East.

MR. EVANS: I would move, seconded by the Honourable Member for Rupertsland that:  
WHEREAS McKenzie Seeds Company is an asset owned by the people of Manitoba having been received from the previous owner, Dr. A.E. McKenzie, under legislation dating from 1945; and

WHEREAS McKenzie Seeds Company is today Canada's leading package seed business making a substantial contribution to the economy of Brandon and, therefore, to the economy of Manitoba; and

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WHEREAS Premier Sterling Lyon promised "not to sell" McKenzie Seeds Company during the last provincial election; and

WHEREAS since that time his Government has made at least two attempts to sell the McKenzie Seeds Company to the private sector;

THEREFORE BE IT RESOLVED that the Legislative Assembly hereby opposes any sale of the McKenzie Seeds Company to the private sector; and

BE IT FURTHER RESOLVED that the Legislative Assembly expresses concern and disapproval of the breaking of the clear commitment given by the Conservative Leader to the electorate thereby undermining the confidence of the public in the democratic political process.

MOTION presented.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. I get up in support of my Resolution on McKenzie Seeds because here we are not talking only about a matter of whether or not to dispose of a particular public asset but we are also talking about a matter that is a very great bearing on our political process.

The fact is, as I have indicated in the whereases of the Resolution, that the Conservative Leader in this province, the now Premier of this province, did give a clear commitment to the electorate in the City of Brandon on the last day of election campaign in the general election in this province in October of 1977 that a Conservative Government - and these were his words - "would not sell McKenzie Seeds". And the people of Manitoba, the people of western Manitoba, the people of Brandon, took the Honourable Leader of the Conservative Party at his word, that he indeed meant that the government, a Conservative Government, would not sell McKenzie Seeds.

Of course now we have had the experience of this government, of his government, making not one but two attempts to dispose of this particular company. Mr. Speaker, it is no wonder that the electorate is cynical of our democratic political process; they have every right to be cynical of certain political leaders who blatantly break promises. If a commitment means anything . . . Well perhaps commitments don't mean anything these days; I would like to think commitments made by political leaders have to be treated very seriously and indeed were treated seriously by the people who listened to the Conservative Leader and who read about the Conservative Leader's statement in October of 1977.

So there is no question, Mr. Speaker, that this particular act, the actions of this government, have indeed undermined our political system. We have an opportunity to rectify this, of course, if the Session here assembled, if the Assembly together, of course, agrees with my Resolution. Indeed, the Member for Brandon West, the Honourable Minister without Portfolio did make public statements to the effect that the jobs in McKenzie Seeds would not be in jeopardy, also leaving the impression, although those were not his words, he did not say that a Conservative Government would not sell McKenzie Seeds but he left the impression that the status quo would be maintained.

Well, Mr. Speaker, I urge members of the Legislature to support my Resolution, not only because of the need to be concerned about fulfilling of a commitment but also because we are witnessing an effort to dispose of a valuable public asset, an asset that was turned over to the province of Manitoba back in 1945 by legislation passed in this particular Legislature. It is a valuable public asset. It has indeed made a significant contribution to the Manitoba economy.

In 1968-69, of course, we do know, and it is on record, that a previous Conservative Government did attempt to sell this particular company. We have the documents which indicate that Ferry Morse Incorporated of the United States had been prepared to purchase this company for the princely sum of \$200,000, but it would not commit itself to maintaining it in Brandon or in Manitoba, anywhere in Manitoba, beyond a two-year period, and, of course, it was in the cards to move the company lock, stock and barrel to Ontario. Of course, the election of 1969 intervened; the New Democratic Party came to office and we decided that we would do our best to strengthen the company and ensure that it would remain in Brandon and in Manitoba.

I believe, Mr. Speaker, we have been successful in large measure in that respect. I believe that the company has shown considerable strength, considerable improvement over the past several years. It certainly has good management and good staff. There is a esprit de corps, at least when I was Minister I detected a very great esprit de corps among the members,

among the staff of McKenzie Seeds. Indeed it has a Board of Directors that has taken a very conscientious role. It is not an honorific Board of Directors; it is not a Board of Directors that is simply sitting there rubberstamping actions of the management or the staff but it is a Board that does indeed investigate on a monthly basis the financial situation and keeps on top of operations month by month. So it has an excellent board, excellent management and excellent staff and generally it has shown viability.

We know, as we discussed before, that it has a problem in its financial structure, and indeed, the NDP government had made preparations to refinance the company. And I say, Mr. Speaker, that before refinancing could occur, it was absolutely essential to get Brandon University to agree to change the agreement so that it would not claim profits from the refinanced company. And likewise it was important that Mrs. Roberts, the daughter of the late Dr. McKenzie, would agree to give up any claim she might have to profits as well. Because once the company would be refinanced, instead of paying hundreds of thousands of dollars of interest to the Crown, it would thereafter be paying, hopefully, many thousands of dollars of profits, of dividends on the shares.

Evidence of our move towards refinancing is shown in the Brandon University Auditor's Report and Financial Statements for the year ended March 31, 1979. This report was tabled in this House only a few days ago, Mr. Speaker, and here it indicates, under the year 1978, transfer from the A. E. McKenzie Foundation, a sum of \$215,739.00. These were the funds in the Trust Account that I spoke of that were transferred from the Foundation to the University as part of the agreement with the University, so here is one piece of evidence of preparation that did take place in order to enable refinancing to occur.

Mr. Speaker, I regret the wild statements that have been made by the Minister responsible for McKenzie Seeds. The other day he, as on other occasions, spoke, in my view, very demeaningly of the company. He seems never to miss an opportunity to knock the company. He leaves one with the impression that he would almost wish it to fail because he seems to gloat over the losses that have occurred last year and again, we have no evidence of this, we have not yet seen the annual statement, but I'll take him at his word that there was a big loss.

As a matter of fact, I wouldn't be surprised if the Minister wouldn't want, through some sort of financial wizardry, cause the accounting firm, may be Thorne Riddell, or whoever, to have the books changed in some way, or the methods of accounting changed in some way so that the company will show a bigger loss than ever before. I wouldn't be surprised, when he tables the report this year that they'll show a very, very unrealistic, totally wild, large loss, simply through some bookkeeping changes. And again, pointing to these losses, and saying, here, you know you haven't got a successful company.

Mr. Speaker, that of course, contradicts. Those kind of statements and that attitude contradicts his statements that he wants to strengthen the company and wants to keep it in Manitoba, wants to keep it in the city of Brandon. But he can't have it both ways. He's knocking the company and he seems to be doing everything that would cause the company to be undermined, in my view.

I believe, Mr. Speaker, that the Premier of this province gave a very solemn commitment in the election of 1977, and I believe for the government to turn around now and begin to sell the company, having begun to take steps to sell the company, is downright unethical. It's operating, as far as I'm concerned, in an unethical manner, not only because of the commitment given by the Premier but also because there was a clear commitment, given by the previous government to Brandon University and to Mrs. Roberts, that if they would agree to back out of the position they held with the company that we would then refinance it and make sure that it stayed in the city of Brandon. This is the clear understanding that was given to Brandon University and to Mrs. Roberts. And I say what's happening now is the present government is breaking an understanding or a commitment that was given.

I think that it is unfortunate as to what has happened in the past several months; not only have we seen bids sought and we know that five bids were received from various interested parties, including the employees, but these bids having been rejected and people in the community then having had some understanding that perhaps the government would get on with the refinancing of it, we find now that this is really not the case, but they are now talking to a company to buy it.

And Mr. Speaker, the point is that they are now in negotiations, or have at least been in negotiations with Bohmer Box Limited, which was one of the five bidders last summer. And I think that there's something wrong with this particular type of process. I'd like to know whether Bohmer Box had the very best proposition. If its proposition wasn't acceptable last summer, why is it that they are even worthwhile speaking to, why is this company even deserving of the government's time and attention subsequently.

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Bohmer Box, incidentally, Mr. Speaker, is a very small, unknown company, located in southern Ontario. As a matter of fact, the owner of it, Mr. Besant, I believe owns three or four companies with similar names, and I really question the validity, the argument, that we can strengthen, or that the government can strengthen McKenzie Seeds by somehow marrying up an unknown company that is in no way related to the McKenzie Seeds business, unless it is that they manufacture cardboard boxes of some kind or engage in some kind of a printing exercise and they're going to ensure that all of the box material and all the printing material of McKenzie Seeds is in future done by Bohmer Box or some related company. In fact, that is a great danger.

As a matter of fact, Mr. Speaker, I am very much suspicious that Bohmer Box may come in and cause McKenzie Seeds to be in a weaker position, not in a stronger position but in a weaker position, by forcing it to make purchases or to do certain things that will be to the favour and will be in the interests of Bohmer Box or that group of companies, rather than in the interests of McKenzie Seeds in the province of Manitoba.

There is no rationale; there seems to be no logic in this particular arrangement. The Minister preached to us, well, we should know that it's a big merchandising operation and so on. Well, where have we been the last ten years when the Chairman of the Board has come to the committee and has explained the operations? We should all know what kind of an operation the McKenzie Seeds is. We know that it's essentially a large merchandising operation; we know it's essentially a package seed business; we know it's a very seasonal business; and we know that there are problems whenever you have a highly seasonal business. The Minister was not telling us anything new, and I might add, Mr. Speaker, that for years the board has been grappling very earnestly with some suggestions as to diversify the company and to get rid of some of the seasonality. It's not a new problem; it's been dealt with for some time by the board, which includes, Mr. Speaker, some very competent people, people that have had some experience in merchandising, I might add.

And incidentally, Mr. Speaker, the Minister himself has indicated that there are some great things happening in the company. The mail order business, for example, is growing by leaps and bounds and creating a lot more employment within the company. And this was a statement he made, I believe, to the Brandon media, at least I read it in the Brandon Sun. So there is a great deal of expansion in that particular area, and I believe that we have here a company that has made a significant contribution to the economy of Manitoba. It has not had a nickel of subsidy; it has had no preferential treatment on interest rates from the MDC, and it has paid full interest, all the interest that it owed to the Crown or to the Bank of Montreal. And at the same time, we have three times the amount of employment today at the peak period than we had ten years ago.

So I say, Mr. Speaker, that it is a viable company, it has a great future in Manitoba. If we do sell it, or bring in a private partner, there's a great possibility that it will be moved to Ontario because, as I said on other occasions, there is opportunity to make even more profit in the center of the Canadian market because there is no doubt that the bulk of the market, 75 percent, is in central Canada because that is where the market is concentrated.

So Mr. Speaker, it's with great regret that I note that the Premier of this province has not lived up to a commitment. I would urge him to reconsider the solemn commitment that he has given to the people of this province, and I would urge this government to get on with the job of refinancing McKenzie Seeds.

MR. SPEAKER: The Honourable Member for Brandon West.

HON. EDWARD MCGILL: Thank you, Mr. Speaker. It was in my mind a few weeks ago to offer congratulations to the Member for Brandon East for the very clever orchestration that he has created, based upon such an improbable theme. It really was, Mr. Speaker, a rather remarkable effort, and so well done that I question whether really the Member for Brandon East was the sole author. I noted that he did have the support of the Honourable Member for Churchill during the Save McKenzie's campaigns in Brandon and the placard carrying and the general clamour that was produced by the Member for Brandon East and his orchestration of this somewhat dubious theme.

Mr. Speaker, he built quite a case on a rather preposterous assumption that any government of Manitoba would allow one of the major industries in the city of Brandon to be terminated and to be moved out of the province. This orchestration was based on, of course, as the member mentioned in his speech on the campaign of the election of October 1977, and during that campaign, for reasons known best to the Member for Brandon East and his

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colleagues, the other candidates of the NDP, it was decided that a rumour would be circulated amongst the employees of McKenzie Seeds that if a Progressive Conservative government were elected in Manitoba not only would the company be sold but that it would be moved out of the city of Brandon and those jobs would therefore be lost. I think the rumours that were circulated were of really scare tactics.

It wasn't enough, Mr. Speaker, for the candidates for the NDP to suggest that the company would simply be sold, since the Member for Brandon East, who was the former Minister of Industry and Commerce during the preceding eight years of NDP administration had already been involved in negotiations, either directly or indirectly, with private sector operations that were interested in making offers for McKenzie Seeds.

Mr. Speaker, I say that he was either directly or indirectly involved in discussing these possibilities with members of the private sector who . . .

MR. SPEAKER: Order please. The Honourable Member for Brandon East on a point of privilege.

MR. EVANS: A point of privilege, Mr. Speaker. The honourable member is making an assertion which is outright false, and I have a right, as a member here, to deny a false allegation that is being made by the Honourable Minister who is now speaking. At no time did I, in my entire career as a Minister, enter into negotiations with a company for the sale of McKenzie . . .

MR. SPEAKER: Order please. The honourable member has a perfect right to deny anything of that nature, but it does not constitute a point of privilege.

The Honourable Leader of the Opposition.

MR. PAWLEY: I would think that surely a member of this Chamber, upon hearing a false statement being attributed to him or false acts being attributed to him, has the right to rise in his place as the honourable member did and to deny emphatically those false statements and, upon that, then surely the honourable member who has made those statements ought to be called upon to withdraw those statements or substantiate those statements, one or the other, must choose one or the other.

MR. SPEAKER: Order please, order please. The Honourable Minister without Portfolio.

MR. MCGILL: Well, Mr. Speaker, having heard the emphatic denials of the Member for Brandon East as to his activities when he was the Minister of Industry and Commerce, I would think then that it's not true that he and the Member for Inkster met with a Swiss based company Ciba-Geigy and discussed their interests in the firm, I would say. So that it was not true that you entered those discussions, Mr. Speaker.

MR. SPEAKER: Order please, order please. The Honourable Member for Inkster on a point of order.

MR. GREEN: On the same point of privilege, Mr. Speaker. The Honourable Member has suggested that there were negotiations for the sale . . .

MR. SPEAKER: Order please, order please. May I suggest to honourable members they read Citation 317 of Beauséjour. "If a member desires to ask a question during debate, he must first obtain the consent of the member who is speaking. If the latter ignores the request, the former cannot insist, even if he thinks he is being misrepresented. He cannot make a denial during a speech but he must wait until the member has resumed his seat and then he may ask leave to make a statement or he must wait until his turn comes to address the House."

The Honourable Minister without Portfolio.

MR. MCGILL: Well, Mr. Speaker, I have to accept . . .

MR. SPEAKER: Order please, order please. The Honourable Leader of the Opposition.

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MR. PAWLEY: Mr. Speaker, I challenge your ruling.

MR. SPEAKER: The ruling of the Chair has been challenged. Shall the ruling of the Chair be sustained? All those in favour please say "aye". Those opposed please say "nay". In my opinion, the ayes have it.

The Honourable Minister without Portfolio.

MR. MCGILL: Well, Mr. Speaker, I've had denials from the Member for Brandon East and from the Member for Inkster. So I say that there must not have been a meeting at which there were discussions between the Minister and the Member for Brandon East with a Swiss-based firm interested in the purchase or some other negotiations with respect to . . . --(Interjection)-- There were? Well then, Mr. Speaker, the member from his seat says there were discussions with this firm, so at least we have arrived at that point on which we can base our further observations. And I think too, Mr. Speaker, in view of the denials of the Member for Brandon East, that it must not be true that he negotiated with at least five companies in the private sector with respect to the purchase of a portion of the operations of McKenzie Seeds, the Brett Young subsidiary, and that after having done this, Mr. Speaker, that portion of the company, a Crown-owned corporation, was sold, Mr. Speaker, without any tenders having been called. --(Interjections)-- Mr. Speaker, I demand to continue with my . . .

MR. SPEAKER: Order please, order please. May I suggest to the honourable member that he wait until the Minister has completed his statements. The Honourable Member for Brandon East on a point of privilege. Is it a point of privilege or a point of order?

MR. EVANS: Well my point of privilege is that the honourable member is getting up and making statements that are not correct. He has just made a statement that is not correct, so on a . . .

MR. SPEAKER: Order please, order please. Whether or not a statement is correct is not a point of privilege. The Honourable Minister without Portfolio.

MR. MCGILL: Well, Mr. Speaker, I think the record will show that the subsidiary owned by McKenzie Seeds, known as Brett Young Seeds, was sold. Mr. Speaker, that was owned by the Crown and, Mr. Speaker, there is no evidence that there were any tenders called for the sale of that Crown property. Mr. Speaker, it is a normal course of action in the disposal of Crown property for at least all people in the business world to have an equal opportunity to participate if such Crown assets are to be disposed of.

Mr. Speaker, the Member for Brandon East has denied that he had any negotiations or consultations with Ceba-Geigy and I suppose then that, Mr. Speaker, he would say it's not true that he had a committee or a group from the Department of Industry and Commerce detailed to evaluate the proposals by Ceba-Geigy. Mr. Speaker, if he has not been engaged in such negotiations then of course that could not have occurred and so I will have to accept his denial of that matter.

Well, Mr. Speaker, the Member for Brandon East, I think, might have been well advised to have terminated this clever orchestration of the matters of McKenzie Seeds in Brandon without having presented two resolutions because he is now going to have to explain what was the real meaning of his activities in this area during the time that he was the Minister responsible for the operations of McKenzie Seeds.

Mr. Speaker, I have been a Member for Brandon West for approximately the same length of time, exactly the same length of time as the Member for Brandon East, but I have lived in the community almost continuously with the break of a few years during World War II and, prior to that, since 1918. I have a great concern and sympathy for those people who live in my community. I am a member who lives in the community and who has a concern that's not exceeded by any other representative from the WestMan area in respect to the growth and development and the welfare of the people who live in that community.

While the late Dr. McKenzie was alive, I had the privilege of speaking to him on occasion and to sitting with him at such meetings as Chambers of Commerce meetings. I knew of his 24 hour a day dedication to that business, of his careful attention to the day to day expenses of doing business, perhaps in a way not exceeded by any other head of a corporation that I can recall. But the chronic problems of McKenzie Seeds were evident at that time. They have not disappeared and, notwithstanding the statements of the Member for Brandon East

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that had their government, God forbid, continued in office after October 11, 1977, they would have refinanced the McKenzie Seed operation. I wonder how many of the Treasury Bench would confirm that speculation. I wonder if the Member for Inkster, who was then a member of the Treasury Bench, would confirm that your government was going to refinance McKenzie Seeds. Mr. Speaker, let it be noted that the Member is not directly answering the question but shaking his head in a manner that would negate it.

Mr. Speaker, there is an interesting quotation from the Member for Brandon East with respect to the possibility of refinancing the company at Brandon and he said in his press release, I believe, a few days ago that the NDP government was prepared to refinance McKenzie Seeds and to that end preparations were made in 1976 and 1977. But at the Standing Committee meeting of the committee on Economic Development considering the Annual Report of McKenzie Seeds he had the following things to say: "Of course if we did provide some equity it, Sir, would be more of a bookkeeping item than anything else because it still wouldn't affect, you know, the income, the net earnings of the company before these deductions."

So, Mr. Speaker, he is saying here that he doesn't really see much value in refinancing the McKenzie Seed operation, and the Member for Inkster agrees with that position, so that the chronic problems were still there, Mr. Speaker. So the Member for Brandon East, who professes such great concern for the future of McKenzie Seeds in Brandon, is saying that refinancing really isn't what needs to be done and why then, Mr. Speaker, is he indicating today that this was the important thing, this is what this government should do and that if he had been in government he would have done it? Mr. Speaker, I suggest that statement is open to some critical comment, to say the least.

Mr. Speaker, quite clearly what has to be done in respect to McKenzie Seeds is to insure that company continues to operate in the Brandon area and that in some way it will become a viable operation. In some respects it's unfortunate we're having this debate today before the annual statement of McKenzie Seeds comes to the Standing Committee on Economic Development. I hope that the results will be encouraging but we should then, on the basis of those results, determine whether the comments and the suggestions made by the Member for Brandon East have any real application in this situation. I suspect they don't. I think there are other things that need to be done and our government is committed to insuring that those operations continue and we are going to do what needs to be done to make it a more viable operation. Quite clearly it needs to be a company that has more of a 12 months operation than the present packaging operation which limits it to a very narrow period of peak activity, followed by a considerable period of inactivity, in a fairly expensive facility.

Mr. Speaker, I feel that I need say no more at this stage on the resolution as presented for the Member for Brandon East. He professes to have always been against any kind of sale of McKenzie Seeds and that it should continue as a publicly-owned corporation and yet, as Minister responsible, he was involved in and was responsible for the sale of part of that operation; incidentally, a rather profitable part of the operation, because during the years when it was owned it did make money for McKenzie Seeds.

Mr. Speaker, I find that simply hard to reconcile with the many pious observations of the Member for Brandon East, who says that the only thing for McKenzie Seeds is to let it go on the way it is because it's a very good company and that it has always made money. Mr. Speaker, I wish that were the case; I sincerely do. I know that there are ways that can be found to make that prophecy come true and, Mr. Speaker, this government is dedicated to that end. Thank you.

**MR. SPEAKER:** The Honourable Member for Brandon East wished to make a statement.

**MR. EVANS:** Yes I would like to make a statement, Mr. Speaker, in accordance with your own direction in this particular matter. I want to, on this occasion, deny any suggestion or allegation by the Honourable Member for Brandon West, the Minister without Portfolio, that I entered into negotiations with any company or companies with regard to the sale of McKenzie Seeds. Inquiries, unsolicited inquiries, were indeed made, and discussions were held, and as I've indicated on other occasions --(Interjection)-- unsolicited inquiries were made and out of courtesy we spoke to those people, but there were no negotiations whatsoever.

On the other point, Mr. Speaker, with regard to the Brett Young Company, Brett Young was purchased by McKenzie Seeds. Brett Young is a field seed business. It was purchased



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under a particular arrangement and then it was deemed advisable by the board to dispose of the company, to sell the company, because, as it turned out, the particular business, the type of business did not complement or suit the package seed business, which, as my honourable friend knows, is the type of business that the company is essentially engaged in in the city of Brandon.

And therefore, the board of directors of McKenzie Seeds, without permission of the Minister or the Cabinet, because it did not need that permission, decided to sell the company to the Manitoba Wheat Pool, which I believe, Mr. Speaker, is a broadly based, farmer-owned, co-operative, one of the largest agricultural co-operatives in the province of Manitoba. It was sold to the farmers of Manitoba through the Manitoba Wheat Pool. And I might add, Mr. Speaker, this particular transaction accrued to the company a clear profit of over \$2 million.

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Yes, Mr. Speaker. First of all, with respect to the points made by the Honourable Member for Brandon West, it is true that people came to see the government with respect to an interest in McKenzie Seeds, and at that time, Mr. Speaker, we were interested in hearing what they had to say because it could have involved management expertise, it could have involved joint ventureship; but under no circumstances, Mr. Speaker, was there any negotiations for the sale of McKenzie Seeds at that meeting. They were told quite plainly that we were not interested in selling McKenzie Seeds and that ended it, they never came back. They were told by myself, and I don't think that they will say otherwise, that what we did not want to do was to divest ourselves of the company, and I think that the honourable member will appreciate that.

The honourable member says that I would not take the position that turning loan capital into equity capital makes a company viable. He is perfectly right, Mr. Speaker. I do not engage in Conservative tactics. I will not make a company viable by wiping out debt which I am then responsible for. I am talking about what I would do, and I say, Mr. Speaker, that if you have shareholders loans and they are paying interest on the shareholders loans and still making a profit, the company is viable. And if you turn the shareholders loans into equity so that the government pays the interest and the company pays no interest, you are not improved by one cent. I have always said that; I repeat that. That's what the Minister is going to do. The Minister says he's going to make that company viable. As God made little apples, it's going to be turned over to a private company, they're going to wipe out the debt, the interest that is payable to the Crown is going to be removed and the company will be viable by Progressive Conservative bad business. That's how they'll make it viable, in no other way, Mr. Speaker, and that is exactly what they say they are going to do.

They say that the company has got a heavy debt load and that in order to be viable the debt load has to be removed. So they're going to move it to a private company, they're going to wipe out the debt load, the company won't have to pay interest to the Crown, and it'll be viable. Look, ma, magic money. That's what they're going to do, Mr. Speaker. That's what I object to and I put it down now. I predict that that's what's going to happen, despite all of the pickets, despite all of the signs, this government, within this term, and to invoke the deity, as the First Minister usually does, and God forbid if they get elected again in the next term - and that's what we have to avoid - they're going to do exactly that. They're going to do what that they did with Morden Fine Foods, Mr. Speaker. Look, magic free enterprise. Morden Fine Foods was losing approximately \$300,000 a year. They now say they have made it viable. How did they make it viable? They wiped out \$2 million in debt, and they gave them \$1 million in inventory free. That makes \$3 million. Take the interest on \$3 million, it's \$300,000, wiped out, now it's viable. That's Progressive Conservatism magic money making.

Mr. Speaker, I never engaged in it. I did yield, on several occasions, when the Provincial Auditor said that it's doesn't look nice. We had arguments about it, that the Development Corporation has a loss, and all you have to do is put in equity, and if you put in the equity instead of loans, then there will be no loss. And that's what he did with this ManFor sheet, and people who have been around here for awhile will remember that I objected to it.

Mr. Speaker, the Minister of Finance has come in and said, ManFor broke even. And Mr. Halgrimson has a continual statement, which I objected to when I was in government; he talks about a gross profit. You know what a gross profit is, Mr. Speaker? A gross profit is your sales income, deduct your expenses and provide no interest and no depreciation. It's not a profit, but Mr. Halgrimson has invented a profit. They have now shown a balance sheet, by virtue of that kind of arithmetic. They presented ManFor with a balance sheet which shows a

virtual break-even this year. How did they break even, Mr. Speaker? They've wiped out \$61 million as a capital deficit; they have got debentures which are not income paying unless you make a profit of at least another \$40 million, so there is \$100 million on which no interest is paid. And they've wiped that out, which is a \$10 million loss, minimum, each year, and I'm talking about old days, we're now talking about 15 percent prime. So it's \$15 million loss on this statement. Anybody who can read a balance sheet knows that.

Now, the reason that somebody says McKenzie Seeds is to be refinanced, not so that it will make more money, but so that it will silence people who should know better. If McKenzie Seeds had equity of \$7 million, rather than debt of \$7 million, there would be no interest paid on the \$7 million, and instead of having a \$750,000 loss they would break even or, in the good years, they would have \$1 million profit.

But Mr. Speaker, that's not viability, that's hocus pocus. And that's what the government is going to engage in. And that's why, when the former Minister says it should be refinanced, it's only to make it understandable for people who will not understand that the company is not losing money, that the largest part of its expenses are payable to the Crown in interest. And if the Crown picked up the equity, it would not be payable by McKenzie Seeds; it would be payable by the Crown.

Mr. Speaker, my objection to the resolution is its request. It's to say, please, Progressive Conservatives, or we demand, you Progressive Conservatives, if we want to sound like we're strong, don't sell McKenzie Seeds. I forego that, Mr. Speaker. I want to talk to the purchasers of McKenzie Seeds. I can't talk to this government. I know what this government has got in its doctrinaire mind. I've got to talk over their heads, and I say to the purchasers of McKenzie Seeds, Mr. Speaker, that if I have anything to do with it - and I'm not sure that I will but maybe I can be effective in any event - I want to tell those purchasers that when they take that company under whatever rules, that when the New Democratic Party comes back into power, I will urge the New Democratic Party to tell those people, we will pay you your outlay, we will pay you interest for the time that it has been outstanding, but the property of that company will return to the people of the province of Manitoba, to whom it belongs, who have made it viable, and who have had it privateered by the Conservative administration.

That's the remedy, Mr. Speaker. It's no use picketing; it's no use entreating; it's no use begging; it's no use demanding. And on that basis, Mr. Speaker, on that basis, I hope that those prospective purchasers look at the political situation in the province of Manitoba, and say, Mr. Speaker, we better leave McKenzie Seeds where it is, because it's a bad proposition that we are walking into. And leaving it where it is, Mr. Speaker, we'll make it viable, because despite the lack of confidence I have in the Conservative administration, I've looked at that board, that board will work, that board will make it pay, that board will have it paying its interest, which it did in many years, and if it doesn't Mr. Speaker, then I will say - I will pretend to use Progressive Conservative bookkeeping - that I've got equity in the company, and I will pay the interest on company side rather than on the Crown side, but it will be six of one and half a dozen of the other.

MR. SPEAKER: Order please. The hour being 5:30, when this subject next comes up, the Honourable Member for Inkster will have eleven minutes.

#### MINISTERIAL STATEMENT

MR. SPEAKER: The Honourable Member for Consumer and Corporate Affairs.

HON. WARNER H. JORGENSON (Morris): I wonder, Mr. Speaker, if I may have leave of the House to revert to Statements. (Agreed)

Mr. Speaker, with leave of the House, I would like to make a statement in connection with the CNR derailment that took place at approximately 2:00 a.m. yesterday, March 10th, about one mile north and one mile west of MacGregor.

I have just returned from visiting the site of the derailment, together with Mr. Hyde, the Member for Portage la Prairie. As you may be aware from press reports, 12 of the 31 derailed cars contain vinyl chloride, a potentially dangerous gas being shipped by Dow Chemical. The first report to our Environmental Protection Branch indicated that three cars with vinyl chloride had developed slow leaks. A later report indicated that only one car was suspected to be leaking, but this has not yet been confirmed.

From my observations on the site today, there are three cars that are entangled. There is still no confirmation of a leak. Some spillage has been noted, and small pockets of gas have

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been located in the immediate vicinity. I was advised however, that given existing wind conditions, any potential hazard is minimized through harmless dissipation into the atmosphere. Since returning, I have received a report that 100 feet downwind there is no evidence of vapour.

The vinyl chloride was being transported in tank cars. I was first advised these cars were highly pressurized; however, I have been now informed by experts on site that the maximum pressure is 10 pounds per square inch, therefore, any potential danger from rupture of the tank due to pressurization is negligible. If there is a leak, it is thought it may be due to valve damage, and I am assured by railway officials that these cars are of extremely rugged construction, and double walled. A visual examination by railroad officials has shown no damage to the inner walls.

Vinyl chloride is a colourless, flammable gas with an ether-like odour, and is used in the manufacture of plastics and as a refrigerant. In small quantities, it dissipates well in the atmosphere; it is not a severe problem. But massive, long-term exposure can be very dangerous. Its greatest danger is that it is a fire hazard when exposed to heat or flame. When heated to decomposition, it emits the highly toxic fumes of phosgene, which can be fatal.

During my visit, I was informed that representatives from Dow Chemicals, CN Rail, federal Transport Department, the provincial Fire Commissioner's Office, and the provincial Environmental Management Division were all on site. I'm also told close contact is being maintained with representatives of the municipality involved.

Heavy equipment has arrived from Portage la Prairie to clear the tracks and special attention will be paid to the three cars in question, and we are assured every precaution will be taken to insure against accidents. It is candidly admitted that we cannot be certain of the extent of this spill until the cars are dislodged and a closer investigation can take place.

On leaving the site I was assured that given the current situation there is no immediate health or environmental damage; nevertheless, considering the severity of the potential risk through fire, we cannot be complacent and stringent surveillance is being maintained. According to weather forecasts, strong southeast winds and snowfalls of five to eight centimeters are expected. This will assist in the dissipation of any vaporization which occurs.

I am sure all members will join with me in hoping that the situation will be resolved speedily and safely.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Yes, Mr. Speaker, considering that we had gone through this briefly before, I will be very brief in my reply to the Minister, except to say that we on this side, of course, join him in hoping that the situation will be resolved speedily and safely and that we do await action from his government to ensure that this potentially dangerous environmental accident has not been of any great severity. We expect this government to incorporate the proper tests into the area to make certain that there is no long-term impact or long-term effect from vinyl chloride pollution and we would hope that there will be a full investigation, an enquiry that is accessible to the public, so that we can use this experience, in which I said before we were lucky in that it was not of a greater severity, so that we can use this experience to ensure that we do not have a more dangerous and a more serious accident in the future. I think we can learn from this experience and I hope that we use it in that way.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, I move, seconded by the Minister of Labour, that this House do now adjourn and resume in Committee of Supply at 8:00 p.m.

MOTION presented and carried and the House accordingly adjourned until 2:30 p.m., Wednesday. Committee will meet at 8:00 p.m. this evening.