



First Session - Thirty-Fifth Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS
(HANSARD)**

39 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Fifth Legislature

Members, Constituencies and Political Affiliation

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARR, James	Crescentwood	Liberal
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward, Hon.	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALOWAY, Jim	Elmwood	NDP
MANNESSE, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold, Hon.	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack, Hon.	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, November 14, 1990

The House met at 1:30 p.m.

PRAYERS

ROUTINE PROCEEDINGS

PRESENTING REPORTS BY

STANDING AND SPECIAL COMMITTEES

Mr. Eric Stefanson (Kirkfield Park): I beg to present the First Report of the Committee on Economic Development.

Mr. Clerk (William Remnant): Your Committee met on Tuesday, November 13, 1990, in Room 255 of the Legislative Building to consider Annual Report of Channel Loggers for the fiscal period ending March 31, 1989, the Annual Report of Moose Lake Loggers for the fiscal period ending March 31, 1989, and the Annual Report of the Communities Economic Development Fund for the fiscal period ending March 31, 1989.

Mr. Danny Morin, Acting Manager and Mr. Gordon Trithart, Secretary, provided such information as was requested with respect to the Annual Report and the business of Channel Area Loggers.

Mr. Rino Kivisto, General Manager and Mr. Gordon Trithart, Secretary, provided such information as was requested with respect to the Annual Report and the business of Moose Lake Loggers.

Your Committee has considered the Annual Report of Channel Area Loggers for the fiscal period ending March 31, 1989, and the Annual Report of Moose Lake Loggers for the fiscal period ending March 31, 1989, and has adopted the same as presented.

Mr. Stefanson: Mr. Speaker, I move, seconded by the Honourable Member for Turtle Mountain (Mr. Rose), the report of the committee be received.

Motion agreed to.

Mr. Ben Sveinson (La Verendrye): I beg to present the Fourth Report on the Committee on Public Utilities and Natural Resources.

Mr. Clerk: Your Committee met on Thursday, March 2, Tuesday, March 7, and Thursday, October 26, 1989, at 10 a.m. in Room 255 of the Legislative

Building, to consider the Annual Reports of the Manitoba Hazardous Waste Management Corporation for the fiscal years ending December 31, 1987, and December 31, 1988. At the meeting on Thursday, October 26, 1989, your Committee elected Mr. Burrell as Chairman. Your Committee also met on Tuesday, November 13, 1990, at 10 a.m. in Room 254 of the Legislative Building to consider the Annual Reports of the Manitoba Hazardous Waste Management Corporation for the fiscal years ending December 31, 1988, and December 31, 1989.

On March 2, 1989, your Committee accepted the resignations of Hon. Mr. Neufeld and Messrs. Driedger, Storie, Angus and Burrell and elected Hon. Mr. Connery, Mrs. Charles, and Messrs. Harapiak and Rose. On March 7, 1989, your Committee elected Mr. Helwer to fill a previous vacancy.

Mr. Rick Cooke, President and Chief Executive Officer, Mr. Nick Carter, Chairman of the Board, Mr. Edwin Yee, Manager, System Development and Ms. Caroline Kaus, Secretary-Treasurer, provided such information as was requested by Members of the Committee with respect to the Reports and business of the Manitoba Hazardous Waste Management Corporation for the Committee Meeting on Thursday, March 2, Tuesday, March 7 and Thursday, October 26, 1989.

Mr. Rick Cooke, President and Chief Executive Officer, Mr. Don Vernon, Chairman of the Board and Ms. Caroline Kaus, Secretary-Treasurer, provided such information as was requested by Members of the Committee with respect to the Reports and business of the Manitoba Hazardous Waste Management Corporation for the Committee Meeting on Tuesday, November 13, 1990.

Prior to the passing of the Annual Report of the Manitoba Hazardous Waste Management Corporation for the fiscal year ended December 31, 1987, your Committee adopted the following recommendation on March 7, 1989:

Be it resolved that this Committee recommended the Government House Leader set a date, on a consensus basis with the other two House Leaders,

to continue reviewing the Annual Report of the Manitoba Hazardous Waste Management Corporation and include the recommendations of the regulations tabled today by Mr. Harapiak.

Your Committee examined the Report of the Manitoba Hazardous Waste Management Corporation for the fiscal years ended December 31, 1987, and December 31, 1988 and adopted the same as presented.

Mr. Sveinson: Mr. Speaker, I move, seconded by the Honourable Member for Seine River (Mrs. Daquay), that the report of the committee be received.

Motion agreed to.

INTRODUCTION OF GUESTS

Mr. Speaker: Prior to Oral Questions, may I direct the attention of Honourable Members to the Speaker's Gallery where we have with us today Her Excellency Laila Valere, High Commissioner of Trinidad and Tobago; Mrs. Pearl Wilson, the Deputy High Commissioner of Trinidad and Tobago; and Mr. Harry Maharaj, Honorary Consul of Trinidad and Tobago in Manitoba.

On behalf of all Honourable Members, I welcome you here this afternoon.

Also with us this afternoon, we have from the Calvin Christian School twenty-seven Grade 9 students. They are under the direction of Mr. Buikema. This school is located in the constituency of the Honourable Minister of Culture, Heritage and Recreation (Mrs. Mitchelson).

Also this afternoon, from the Bernie Wolfe Community School we have forty-eight Grade 6 students. They are under the direction of Stara Gooljarsingh. This school is located in the constituency of the Honourable Member for Radisson (Ms. Cerilli).

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

ORAL QUESTION PERIOD

GATT Negotiations Federal Position

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, my question is to the Premier.

All Manitobans, all western Canadians are very concerned about the situation in the GATT

negotiations. Last January we raised questions in this Chamber about the U.S. protectionist Bills and asked the Premier what our strategy would be, and as he outlined the strategy it was, of course, to solve this problem in the GATT negotiations.

Since that time, it appears to us that the United States and the European Community is in a major set of negotiations that are obviously going nowhere at this point, and of course Western Canadian farmers, Manitoba farmers are the integral part of those negotiations in terms of Manitoba.

The Premier two weeks ago outlined his position that we should start playing hardball with the European Community, in fact, even look at a strategy of withdrawing from the table. Given the agricultural Ministers are meeting today in Manitoba, I would ask the Premier what strategy he will outline for us to play hardball with the European Community and what strategy has been agreed upon by the federal Government that must ultimately take our position forward in these crucial next four weeks in the GATT negotiation.

* (1335)

Hon. Gary Filmon (Premier): Mr. Speaker, as the Member knows well, we, during the course of the summer months, indicated first that there was an agreement amongst western Premiers that we ought to take a much greater, more forceful role in supporting the Canadian Government in its negotiations on behalf of western farmers.

As a result of that, all three western provinces—all three prairie provinces—sent delegations in late September, early October to the GATT in Geneva. Ours was the only province whose delegation was led by the Premier. We had direct face-to-face talks with many of the senior negotiators, the trade representatives of various countries who are integrally involved with the GATT process. We got both sides of the issue from both the Cairns Group, who are very supportive of our position, and from the other side, the EC people who are very interested in protecting their export subsidy situation.

In doing that, we came back and we held meetings with various of the leaders of the farm community in Manitoba. The Minister of Agriculture (Mr. Findlay) and I debriefed the leaders of KAP, the Pools, the grain agencies, the various farm community leaders, and we told them how serious

the situation is and what a negative perception we had of the EC's position on it.

Mr. Speaker, I know you want me to wind up this answer, so I will answer more completely after the Member asks his next question.

Mr. Doer: We appreciate the effort the Premiers in the western Governments have tried to make in influencing the decision making at the European Community. That has resulted in a proposal that is ultimately a 1.5 percent reduction in tariffs per year in the European Community, not something that will solve the problem of grain prices for western Canadian farmers.

My question comes back to the fundamental point. Will the Premier outline the position of the federal Government in terms of its strategy as the Government that is at the table? We already had experience of being left high and dry in some areas we feel by the U.S.-Canada Free Trade Agreement by the same Minister. Will the Premier assure Manitobans that the federal Government will not negotiate a deal on textiles, procurement services, investment, intellectual property and dispute settlement and leave out the important issue of agriculture and leave out again western Canadian farmers?

Mr. Filmon: As the Member has outlined, the GATT talks involve a whole range of issues, and he has listed them. Our position is and was, when we were in Geneva in speaking to the trade ambassadors on behalf of the Government of Canada, that we do not see enough to be gained in the other issue areas that we should not accept a settlement that includes substantial gains with respect to the removal of export subsidies, substantial removal of export subsidies over the near future. The fact is we do not see substantive gains in those other areas, and therefore if it comes down to us not being able to get any more than the EC have put on the table, then it is not worth our continuation in the process.

I believe that the Government of Canada accepts that. I believe as well though that the Government of Canada's position is that the EC's so-called final position is sort of an indication of where they would like to be, but that the real hard-nosed negotiations are going to take place in these next three or four weeks as we come to the final position, and that although EC has said this is it, the fact is that the Government of Canada does not believe this is it,

and they believe there is much more that can be achieved by staying at the table.

* (1340)

Contingency Plan

Mr. Gary Doer (Leader of the Opposition): Mr. Speaker, I hope the Premier is right and the federal Government will not trade away the services I have outlined, which the Premier will well know that the federal lead Minister has not precluded an agreement as I have suggested, and that causes a very serious problem for Manitoba farmers.

My final question to the Premier is: Has the Premier developed a contingency plan if the talks fail over the next four weeks? Will that contingency plan include some way of dealing with the U.S. protection Bill that has just come in again in the United States and will further clobber Manitoba farmers? Will that contingency plan include debt management, in light of the fact that according to the federal credit corporation one-third of western Canadian farmers now have a debt of \$175,000, and with high interest rates it is obvious in terms of what that will mean for western Canadian farmers?

Hon. Gary Filmon (Premier): Mr. Speaker, throughout the course of the election campaign this August and early September, I spoke on many public fora about the devastated condition of the farm economy, the fact that despite the fact that we have the second largest crop in our history with excellent grades, the western farmer, because of prices, will have yet again another major drop in income this year.

We are working in all facets to ensure that we stand firmly with the farmer to protect the farmer against these devastating circumstances. That is one of the prime circumstances on the agenda of the Agriculture Ministers' meeting here this very minute in Winnipeg. That is the so-called long-term safety net program, some of which was discussed during Question Period yesterday in which the Member for Interlake (Mr. Clif Evans) was asking for details about various aspects of it.

The reality is that if we were to leave our farmers at the mercy of the treasuries of the EC and the United States, with no protection for them many of them could not survive very long, and we would have a change in our entire way of living in western Canada. That is not tolerable, Mr. Speaker. We will

not let that happen by virtue of our continued participation to support the farmers.

Child and Family Services Administration

Ms. Becky Barrett (Wellington): Mr. Speaker, last Friday during a radio interview, the Premier made a number of inflammatory comments which called into question the integrity of Child and Family Services agencies throughout the province and which presented a very misleading picture of how these agencies are run.

One of the most damaging comments that the Premier made at that time was, and I quote, agencies are being run by people who do not necessarily have management skills at making decisions based on long-term priority setting, end quote.

Mr. Speaker, who was the Premier attacking? Was it the boards that put in enormous time and effort on a volunteer basis, or was it the management at the agencies themselves, virtually all of whom have advanced degrees and years of experience in this area? Will he now confirm that the real problem is that it is his Minister and his department who cannot plan on a long-term basis?

Hon. Gary Filmon (Premier): Mr. Speaker, I would hope that the Member for Wellington would want to try and resolve a very critical and crucial issue in our province, and that is our ability to keep up with the demands for increased funding from the Child and Family Services agencies.

When you increase funding for those agencies at a rate of 15 percent per year over a space of time while you are having difficulty meeting needs in health care, where people are on long waiting lists to get in for elective surgery, where people are on stretchers in hospital corridors—and that indeed has been the case throughout the '80s—and when you have difficulty providing funding for education, you have to be aware of what use every single dollar is being put to.

When you give 15 percent increases to Child and Family Services agencies and they cannot make ends meet year upon year, Mr. Speaker, you have to say to yourself, what is wrong with the system? How can the system, like a sponge, keep absorbing those 15 percent increases and not be able to meet the needs of the children and the people out there?

That is something that we, as a responsible Government, are prepared to look at. We have to look at the management, the administration and the priority setting.

* (1345)

Premier Apology Request

Ms. Becky Barrett (Wellington): Mr. Speaker, will the Premier now apologize in this House to all of the people who were unfairly criticized by him in that interview, and will he acknowledge the work that is done by all social service groups under very difficult budgetary circumstances?

Hon. Gary Filmon (Premier): Mr. Speaker, I at no time will attack people who sincerely want to give of their time, their energy and their effort to try and resolve problems within their jurisdiction, but at the same time one has to recognize that no sector of society has been as generously treated by provincial Governments during the late '80s than have the Child and Family Services agencies.

When you have 15 percent annual increases being given to these people and workloads that are not substantially changing, Mr. Speaker, the fact of the matter is that we have to look at where the money is going and whether or not money is going into services to the children and the families or whether indeed that money is going into other areas of priority. When I find that people who sincerely are looking to make a difference and to make positive changes are saying to us that the only resolution to their problem is to cut back in direct services to children and not examine administration and not examine overhead cost, I have to say to myself, I am yet to be convinced that those priorities are in keeping with the priorities of the people of this province.

Ms. Barrett: Mr. Speaker, I assume that means the Premier is not apologizing.

Funding Increase

Ms. Becky Barrett (Wellington): My final question to the Premier is: Will he also confirm that far from a 15 percent increase for Child and Family Services, the actual operating increase was 1.6 percent, that he was incorrect in that statement at his interview and that the Family Services Department has confirmed that there was an error in his statement and that he had planned a retraction of similar

comments based on their inaccuracy? Will he now make that retraction in this House?

Hon. Gary Filmon (Premier): Mr. Speaker, the Child and Family Services agency funding did indeed increase by 15 percent. That includes an amount that is there for their deficit reduction. That includes major increases to foster parents, which is services to children. Services to children—that is what we are talking about.

Well, Mr. Speaker, this is our problem that we have with the New Democrats, that they say this money is not really money going into the system. It is money going directly to services to children and families whether it is through foster care, whether it is through paying for the deficits that these agencies have built up. They are being increased print over print 15 percent over a previous year. That is real dollars going into the system, real dollars going to service the needs of children. Those are very hard earned tax dollars that are not being given in such generous amounts to health care, to education and many priority areas.

Mr. Speaker, if the New Democrats want to keep trying to misrepresent that issue, that is their problem, but they are not doing a service to the people who elected us to this Legislature.

Child and Family Services Administration Study

Mr. Reg Alcock (Osborne): Mr. Speaker, when this Government cannot manage a system, they divert attention from it by attacking the people who do manage the system. Despite the fact that the Premier says that workloads have not increased, they are 1.6 times higher than the safe level. That is in a study conducted by the Premier's own Government.

Mr. Speaker, year after year this Government defends its inaction in social services by attacking the people who deliver services to the most vulnerable people in this community. Can the Premier tell us today—can he table for this House a single study that suggests that the administration in these agencies is inappropriate, inaccurate, too fat? Is there any evidence he has to support his claim?

* (1350)

Hon. Gary Filmon (Premier): Mr. Speaker, the reality is, and this Member should know well, because he is hired by the agencies to give them

instruction on management and administration and all sorts of other aspects of their operation.

I would hope that he would take a responsible view and he would evaluate ways in which the system can become more effective, ways in which the system can use the increases that they are getting year upon year—15 percent—to some purpose that would allow them to give better services to the children and the families under their care.

That is the objective of this Government. That is the objective that we have as guardians of the public interest. Not only are we responsible to the taxpayers who give us their hard earned dollars, but we are also responsible to those children and families who rely upon the public system for their needs, Mr. Speaker.

They are all very important. We make very, very difficult decisions, each and every one of us in our daily lives, with what we are going to do with our limited income in our budgets. Families throughout this province have to make—farmers have to make those difficult choices. People here have to make them.

When 15 percent increases are passed along and we are still being told that there is not enough, there is not enough, there is not enough, we have to get together and co-operate to find a solution that meets the needs of all.

Mr. Alcock: In typical fashion, Mr. Speaker, this Government may budget one level, but it has delivered to these agencies 1.6 percent increases on average, not 15 percent. The Minister persists in putting on the record false information.

I asked the question that I asked the Premier about studies to the Finance Minister (Mr. Manness) and to the Minister of Family Services (Mr. Gilleshammer). The Finance Minister said, I am not aware. The Family Services Minister said, I am not aware of any studies—

Mr. Speaker: Order, please. Is there a question here? The Honourable Member, kindly put his question now, please.

Mr. Alcock: I would ask the Premier to produce a single piece of evidence to support his claim that these agencies are poorly administered—a single piece of evidence.

Mr. Fillmon: Mr. Speaker, I believe that is a repetition of exactly the same question, but I will very patiently tell the Member -(interjection)-

Mr. Speaker: Order, please. The question has been put.

Mr. Fillmon: —15 percent increases to those agencies have been there.

Some Honourable Members: Oh, oh!

Mr. Speaker: Order, please. The Honourable Member has put his question, and I am sure you would like to hear a response to that question.

Mr. Fillmon: Mr. Speaker, the Honourable Member does not want to hear the answer. He just wants to persist in his political maneuvering.

The fact of the matter is, and he can ask the Auditor, we have put into those agencies 15 percent increases year upon year. The fact is that those agencies have to find a way to manage and administer on a reasonable basis every area, every priority area of Government. Health care institutions have to find a way to live within budgets. Everybody has to be able to say, look, this is -(interjection)- When there are 15 percent increases passed along to the area of Child and Family Services, those are increases that reflect the priority that we put upon them. When they are given those increases, they have to be able to find a way within the system to manage within it.

I know we have been left with difficult circumstances. I know the needs out there are great. I also know that we have limitations. Every one of us has limitations of money that we have to try and deal with. All we are trying to do is do the best within our control, giving a priority to those agency areas—

Mr. Speaker: Order, please.

Mr. Alcock: Mr. Speaker, the biggest bureaucracy that is being built in this Government is the one that is being built around the Minister of Family Services to protect him from the community.

Mr. Speaker: Question.

Point of Order

Hon. Clayton Manness (Government House Leader): On a point of order, Mr. Speaker, I imagine with that outburst the Member has used the preamble he is not even supposed to use with respect to a supplementary and that he will get right to his question.

Mr. Speaker: Order, please. The Honourable Member, I have recognized him for his final supplementary question. Kindly put your question now, please.

Agency Structure

Mr. Reg Alcock (Osborne): Mr. Speaker, will the Premier tell us what he meant when he said that he does not like how the agencies are structured currently?

Hon. Gary Fillmon (Premier): Mr. Speaker, I have to tell you that we in Government are constantly striving to make as effective -(interjection)-

Mr. Speaker: Order, please. Order.

Mr. Fillmon: The Member for Osborne (Mr. Alcock) continually abuses this Legislature. He interrupts, he interjects, he tries to shout down. He will not listen to the answers to questions he asks, Mr. Speaker. Quite honestly, he does not deserve to be treated with any respect, because he does not treat this Legislature with any respect.

* (1355)

Point of Order

Mr. Kevin Lamoureux (Second Opposition House Leader): Mr. Speaker, on a point of order, the Honourable Member for Osborne has put forward a legitimate question and the Member for Osborne deserves an answer. It is very immature of the Premier of this province—

Mr. Speaker: Order, please. The Honourable Member does not have a point of order. It is a dispute over the facts.

Flair Homes (Manitoba) Ltd. Government Action

Mr. Doug Martindale (Burrows): Mr. Speaker, my question is for the Acting Minister of Consumer and Corporate Affairs. The owners of the roughly 300 homes built by Flair and its affiliates last year want more than empty promises about being a monitor, as the Minister would claim, on the gas company profits.

What action has the Minister taken over the collapse of Flair Homes and the suspension of Tiffany Homes from the New Homes Warranty Program?

Hon. Clayton Manness (Acting Minister of Co-operative, Consumer and Corporate Affairs):

On behalf of the Minister, I will take that question as notice.

New Homes Warranty Program Replacement Program

Mr. Doug Martindale (Burrows): For the Acting Minister of Housing, in view of the fact that the collapse of Flair is but another sign of the declining economy, what action has the Minister of Housing taken to ensure that the New Homes Warranty Program itself will not be abandoned? Is the Minister prepared to step in and bring forward a Government run warranty program if the industry program collapses?

Hon. Jim Ernst (Acting Minister of Housing): Mr. Speaker, I will take that question as notice on behalf of the Minister of Housing (Mr. Ducharme) and have him report back to the House.

Residential Tenancies Act Introduction

Mr. Doug Martindale (Burrows): Mr. Speaker, my final question is to the Premier.

Will the Premier assure the House that this Government is not using the collapse of the housing market and the high vacancy rates in apartments and the declining economy as an excuse to gut sections of The Residential Tenancies Act and to delay reintroducing the Bill?

Hon. Gary Filmon (Premier): Yes, Mr. Speaker.

Environmental Programs Recycling Initiatives

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, a recent survey conducted by the Winnipeg Sun of more than 1,400 Winnipeg residents showed that there was an agreement in one area in particular, which was in the area of the environment. An overwhelming 95 percent of respondents to the survey favoured a city-wide blue box program like those found in virtually every other city in Canada.

A month ago the Minister of Environment advised the House that ongoing discussions are taking place with the Resource Recovery Institute and the City of Winnipeg on plans for future resource recovery in the city.

Will the Minister of Environment advise the House on the status of those discussions, and will he give a clear indication of what recycling initiatives his department is planning?

Hon. Glen Cummings (Minister of Environment): Yes, Mr. Speaker, we are actively discussing with the Resource Recovery Institute, getting some final figures as to the pilot that was originally set up in the Wolseley area. As the Member full well knows, that pilot has expanded far beyond the terms of reference that were originally agreed to. The city and the province are trying to get the figures that we originally wanted in acquiring the cost of operation and what the infrastructure implications might be for that type of project.

At the same time, there are a number of depots being opened across the city with the Manitoba Recycling Council, who are working actively to make sure that there are available depots which can also be used as a comparison and for gaining accurate numbers as to the real cost.

Ms. Cerilli: Mr. Speaker, a month ago when we raised the issue of the potential closing of the Resource Recovery Institute, the Minister said that a business plan would be developed and that would allow for resource recycling to continue in the city.

What has happened to the development of that strategy, and will this Minister get behind the public and its demand for more recycling, or will he continue to stall on this urgent public issue?

* (1400)

Mr. Cummings: Mr. Speaker, my commitment was to make sure that we were able to get the accurate figures on the cost of running a curbside program as the Resource Recovery Institute had envisioned it. I also said that they would have to produce a business plan that would show how that might be operational. That very much involves discussion and agreement between the city, the municipal authority and the benefactor of removing a great deal of waste from the waste stream.

All of those factors have to come together. The bottom line is that we have to have a business plan that is workable and acceptable to all those parties involved.

Environmental Innovations Fund Funding Criteria

Ms. Marianne Cerilli (Radlsson): Mr. Speaker, my final supplementary is also for the Minister of Environment.

Given the difficulties that the Resource Recovery Institute has had in receiving its one-time grant from the Environmental Innovations program, will the

Minister now tell the House what criteria he is using in the decision-making process for the funding from this program?

Hon. Glen Cummings (Minister of Environment): Mr. Speaker, I reject the implication of the preamble of that question, given that it is the third question to begin with.

The Resource Recovery Institute did never attempt to produce the kind of figures that we needed for a business plan or to make an understanding of their process. The fact that they were having trouble getting their grant has something to do with the fact that they would not give us the information.

Second, let me clearly state that the funds -(interjection)- Mr. Speaker, let us not presume that the Innovations Fund is a fund that is going to be able to fund year after year. What was an innovation one year is not necessarily an innovation the second year. This is a fund to establish, to begin to provide basic costs for, first of all, what might be innovative undertakings, whether it be in business or in recycling, anything related to environmental undertakings.

Mr. Speaker, the nub of the question was whether or not there would be ongoing funding coming from the Innovations Fund. The Innovations Fund is not set up to fund on an ongoing basis projects year after year.

Minimum Wage Increase

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my question is for the Minister of Labour.

It has been more than three years since the minimum wage was increased. It has become very difficult for many working families to even afford the basic necessities of life with the \$4.70.

Can the Minister of Labour tell us why his department has not increased the minimum wage?

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, if the Member for The Maples would look at the appropriate legislation, he would see that there is a process to deal with the minimum wage issue which has now been invoked. At this time I am awaiting the report of the Minimum Wage Board.

Mr. Cheema: Mr. Speaker, it is strange that they did not wait for the political appointment, for two days

after the campaign they had appointed political appointees. This is a very serious matter.

Can the Minister of Labour tell us, with the GST coming as of January 1, will he make sure that at least before January the minimum wage will be increased?

Mr. Praznik: Mr. Speaker, I reject totally the comment I think the Member for The Maples made about political appointments to that board. People like Bernard Christophe serve on that board as a labour appointment, and he certainly is not a political appointee of this Government.

Mr. Speaker, the board was struck last spring. It held an extensive public hearing process. The Member for The Maples was certainly welcome to make a presentation to that board. I do not think he did. The board is in the process of preparing a report which they will tender to me as Minister, which we will deal with when we receive the report from the board. I am awaiting that report at this time.

Review Process

Mr. Gulzar Cheema (The Maples): Mr. Speaker, my final supplementary is: Can the Minister of Labour assure this House what mechanism he is going to put in place to assure that the minimum wage is reviewed every year, not every three years and not only during the campaign time? I am talking about the political appointment—

Mr. Speaker: Order, please. The question has been put.

Hon. Darren Praznik (Minister of Labour): Mr. Speaker, the process of dealing with minimum wages has been in place in this province for a number of years through various Governments and administrations.

If the Member is suggesting we should change that process, I would certainly be prepared to discuss that and hear a submission. If he is concerned about the particular rate of the minimum wage, then it is regrettable that he did not use the opportunity to make a presentation to that board instead of just raising it here today.

Zebra Mussel Infestation Prevention Program

Mr. Clif Evans (Interlake): My question is for the Minister of Natural Resources.

Nearly a month ago I asked this Government what action is being taken on a threat to drinking water by zebra mussels. Yesterday a second boat in Thunder Bay, Ontario, was found to be infested with zebra mussels, increasing the fear that they will soon be found in Shoal Lake.

Will the Minister table in this Legislature today all correspondence he has had with federal officials on this matter as well as a copy of his strategy paper detailing how this Government plans to counter the influx of the mussels into Manitoba?

Hon. Harry Enns (Minister of Natural Resources): Mr. Speaker, I would be pleased to make available to the Honourable Member and to other Members of the House the specific instructions that have gone out from the fisheries department that provide some guidelines for people who are transporting boats.

That is probably the most likely way that mussel infestation is coming into Manitoba, the boats that are running in the Lake of the Woods or the Ontario waters that are coming and being transported to Manitoba.

They have been advised by letter to clean and scrub their boats as best they can. Regrettably, the advance is likely going to take place. We are doing everything we can. I will provide that information to the Honourable Member when I get back to my office.

Zebra Mussel Infestation Prevention Program

Mr. Cliff Evans (Interlake): Mr. Speaker, in view of the seriousness with which the Ontario Government and Ontario Hydro take the mussels, I would ask the First Minister what funds he is prepared to spend on zebra mussel prevention and what steps his Government will take to protect the intake point at Shoal Lake from infestation of the mussels.

Hon. Gary Filmon (Premier): Mr. Speaker, we in the Government have an official group working on the strategy to combat zebra mussels. That strategy will be developed not only by people in the Manitoba administration within the area of Natural Resources and Environment—but obviously this is a concern interprovincially from other areas of the country, as has been identified by the Minister of Natural Resources. It can be transported by means of boats being taken from one province to another and those mussels having been attached and taken into the

new water systems that can spread them very quickly throughout various areas.

We are concerned about it as every jurisdiction in the country is. The strategy and the response to this impending threat is being developed by people who are within the various departments concerned as well as interprovincial co-operation on the matter.

Mr. Cliff Evans: When the Premier meets with Premier Rae of Ontario, will he be proposing joint action to combat the mussels, including pressuring the federal Government to take seriously this threat to water quality in Manitoba?

Mr. Filmon: As I indicated, these matters are the subject of interprovincial co-operation and discussion, and they are an ongoing issue that we as provinces will have to deal with. There will be obviously areas for direct co-operation.

I am having a short meeting as the Member well knows with the Premier of Ontario to welcome him as a member of the Premiers' -(interjection)- not club, no, this is not a club—Premiers' Conference. As the chair of the Premiers' Conference, I will be welcoming him, and I will take the opportunity to address a number of issues of mutual concern between Ontario and Manitoba at that meeting.

Archaeological Assessment Justification

Ms. Jean Friesen (Wolseley): Mr. Speaker, my question is for the Minister of Culture, Heritage and Recreation.

Yesterday, this Minister once again refused to commit herself to even joint funding of a loan program to save the heritage buildings of Winnipeg. Today, we learned that the same Minister is considering funding an archaeological impact assessment that should have been the responsibility of the Rural Municipality of Arthur, contrary to the principles of the heritage Act.

Is the Minister doing this because the community is in the riding of the Deputy Premier (Mr. Downey), who seems to believe that public works are a reward for correct voting?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Speaker, absolutely not.

Culture, Heritage and Recreation Impact Assessments Request

Ms. Jean Friesen (Wolseley): Can the Minister indicate what other impact assessments her department has funded either in the private or the public sector, and is she prepared to table that list?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Absolutely, Mr. Speaker. We will be into the Estimates of the Department of Culture, Heritage and Recreation by tomorrow I believe, if there is a will to make that happen. All of that information will be readily available.

Archaeological Assessment Justification

Ms. Jean Friesen (Wolseley): Mr. Speaker, given that we have very little physical evidence of the aboriginal history of southwestern Manitoba, given that this was not a burial site or apparently a sacred site, is the Minister satisfied that five days of archaeological investigation were enough for this particular area?

Hon. Bonnie Mitchelson (Minister of Culture, Heritage and Recreation): Mr. Speaker, I am pleased that an archaeological assessment was done of the area, and that report will be forthcoming on the results of the findings. Obviously, the archaeologists who were working on the site were satisfied with the work that they were able to do, so both the municipality and the archaeological people have been satisfied that the work could go ahead.

* (1410)

Goods and Services Tax Government Documents

Mr. Leonard Evans (Brandon East): Mr. Speaker, I have a question for the Minister of Finance.

It is now apparent that the Manitoba Government is prepared to co-operate with the Mulroney Government to the extent that it will allow the Crown corporations to collect the GST for the federal Government. In fact, Hydro has already issued notices to its customers that it will be collecting the GST as of January.

Can the Minister tell this House whether the Manitoba Government is now prepared to co-operate with the Mulroney Government and levy the GST on the various documents and licences that

it sells to the public such as fishing, hunting licences, health documents, park admission tickets, et cetera?

Hon. Clayton Manness (Minister of Finance): Mr. Speaker, I feel like I am living my life over again. I gave a response to that very same question last night in committee. Obviously there were not enough Members in the committee last night, and the Member wants to share the response.

Mr. Speaker, as I have said on other occasions, because Manitoba Hydro is an energy provider and because it is in competition with other energy providers who are not Crown corporations, who are not arms or entities of Government, they have been deemed, by the federal Government I suppose in this case, that they will have to pay the GST. All energy utilities across the land, indeed, are being required under the proposed GST to have their customers pay a 7 percent tax applied to the energy bill.

Mr. Leonard Evans: Mr. Speaker, I wanted to know from the Minister whether he and his department and this Government were now preparing to collect that GST on the various documents that the Government was engaged in selling to the people of Manitoba.

I ask a supplementary question. When will the Government be making a decision to co-operate with the Mulroney Government to act as a collection agency for the GST with regard to all these other documents and certificates that it sells to the public?

Mr. Manness: Mr. Speaker, the question was just dripping with innuendo, but let me say straightforward that this Government has not decided at this point to what extent it will collect the goods and services tax.

Let me remind the Member that presently excise and duty tax people, the federal Government, are collecting provincial tax. Let me also indicate that at the Manitoba Liquor Control Commission outlets that there is a collection of federal tax by the province at that location.

There is a long history of Governments collecting each others taxes. That is why Governments enter into reciprocal tax arrangements.

I do not know really what the Member is trying to make from it. I can tell him at this point the Government has not made a hard decision to what extent it will collect the goods and services tax on

fees that are charged by certain entities and departments of Government.

Government Announcement

Mr. Leonard Evans (Brandon East): Mr. Speaker, at some point the Minister and the Government have to make a decision. So I would ask the Honourable Minister, what deadline is he looking at? When is he going to advise the public one way or the other?

I would be willing to predict that this Government will be collecting the GST for the Mulroney Government. When will this Minister advise the public of that decision?

Hon. Clayton Manness (Minister of Finance): Well, Mr. Speaker, to my soothsayer friend, the predictor across the House, let me say again to this point in time we have not made any decision. Indeed, as I remind the Member and as I remind all Manitobans, this is a federal tax, it is not a provincial tax. If it is the responsibility of any Government to provide information to Manitobans, it is the federal Government's responsibility and certainly not the provincial Government.

Mr. Speaker: The time for Oral Questions has expired.

ORDERS OF THE DAY

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I would propose that you call Bills in the following order: Bills 12, 15, 16 and 17.

Furthermore, depending on the hour, if it is around 4-4:30, I would propose calling the motion to go into Supply at that time.

I understand, Mr. Speaker—you may want to canvass the House—but I understand there may be a predisposition to waive private Members' hour in the event that we do go into Supply.

Mr. Speaker: Is it the will of the House to waive private Members' hour if we go into Supply as was indicated? Is that agreed? That is agreed.

If we do not go into Supply?

Mr. Manness: Mr. Speaker, I am sure we will be going into Supply, and I will deal with the issue at that time if we do not.

Mr. Speaker: So it is the will of the House to waive private Members' hour. Agreed.

Committee Changes

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I have a committee change. I move, seconded by the

Member for The Maples (Mr. Cheema), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: the Member for Crescentwood (Carr) for St. James (Edwards).

House Business

Mr. Manness: One item of House business, Mr. Speaker, I should announce at this time. I will be making further announcements as to the Estimates order for tomorrow, but I should indicate at this time that the standing committees sitting tomorrow night, first of all the Standing Committee on Public Utilities and Natural Resources at 8 p.m. dealing with the Manitoba Energy Authority, that meeting is now cancelled.

Similarly tomorrow night, Thursday, the Standing Committee on Economic Development considering the '89 Auditor's Report and Consolidated Financial Statements of A. E. McKenzie Co. Ltd. is also cancelled.

I will indicate to the House that it is my intention to try and reschedule these standing committees dealing with these issues next week some time.

Mr. Speaker: I would like to thank the Honourable Government House Leader for that clarification.

Committee Change

Mr. George Hickes (Point Douglas): I also have a committee change. I move, seconded by the Member for Burrows (Mr. Martindale), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Point Douglas (Mr. Hickes) for Radisson (Ms. Cerilli).

DEBATE ON SECOND READINGS

BILL 12—THE LABOUR RELATIONS AMENDMENT ACT

Mr. Speaker: On the proposed motion of the Honourable Minister of Labour (Mr. Praznik), Bill 12, The Labour Relations Amendment Act; Loi modifiant la Loi sur les relations du travail, standing in the name of the Honourable Member for Point Douglas (Mr. Hickes).

Is there leave that this Bill remain standing in the name of the Honourable Member for Point Douglas? Leave? Agreed.

* (1420)

Mr. Jerry Storle (Flin Flon): The Member for Steinbach (Mr. Driedger) has asked me to give a prerecorded speech on this issue. If I thought it would do any good or the Members opposite might hear for a change, I would certainly do that, but I think we are going to have to change the tack somewhat to get their attention. This is one of those occasions where this is *deja vu* all over again. We have seen this Government in its previous incarnation attempt to repeal final offer selection. At that time, despite the fact that we in the New Democratic Party defended the principle that legislation enshrined to a person, along with literally hundreds and hundreds of other Manitobans who came before the Standing Committee of the Legislature which was reviewing the legislation, to echo the sentiments that have been expressed in this Chamber by every Member of the New Democratic Party Caucus.

It was an interesting debate. It was an important debate. In the final analysis the Legislature, when it was finally determined, had decided to leave final offer selection in place. Perhaps there are individuals in this Chamber who were left somewhat scarred by the debate. I refer to some of the Members on my left in the third Party who could not quite decide which side of the fence they were on. They could not quite decide whether with their workers, friends or with working people -(interjection)- I think, as my colleague for Thompson (Mr. Ashton) has suggested, they have impaled themselves on that particular fence, as is quite often the case when you attempt to straddle a fence and maintain that position for any length of time.

The heat of the debate during the last Session on this particular issue was certainly the most intense that I have seen in my years in this Chamber. It is unfortunate that, despite the fact we have a new Minister of Labour (Mr. Praznik), we have the same old attitude in that Ministry, an attitude which seems intent on rejecting the facts, rejecting the obvious and acting on the basis of some ideological commitment borne from who knows where.

(Mrs Louise Dacquay, Deputy Speaker, in the Chair)

I thought I knew the Member for Lac du Bonnet (Mr. Praznik). I thought I understood the Member for Lac du Bonnet. I thought perhaps he was committed to truth and perhaps had some integrity when it came to dealing with important legislation. I

recognize that the new Minister of Labour has some Cabinet responsibilities, but it is unfortunate that the new Minister of Labour capitulated to the right wing of the Conservative Party so quickly in a new Session. I did read some of the comments of Members opposite, and there were precious few, when this issue was last debated. It is sad to know that virtually nothing has changed in the minds of the Conservative Members in this Legislature from the debate that was held in 1989.

Madam Deputy Speaker, I was one of the Members who sat on the committee and listened to single parents, listened to working men and women who earn a pittance in the course of their day's labour, been told time and time again that no, Conservatives did not want any working person to have access to the kind of fairness that is taken for granted by many professionals in this province.

Madam Deputy Speaker, when this Government, in its wisdom, capitulated to the doctors and gave the doctors binding arbitration as a pre-election ploy to avoid embarrassment, they undermined their own argument about the importance of maintaining free and collective bargaining.

This Government, this Minister of Labour (Mr. Praznik) cannot have it both ways. If final offer selection, a form of arbitration, is good enough for the doctors of this province, good enough for the teachers of this province, good enough for many other employees in this province, why is a form of arbitration not good enough for working people in this province, people who have in many cases in the history of this province been subject to harassment and abuse, lockouts and strikes which undermined their ability to maintain their living and provide for their families?

Madam Deputy Speaker, all this legislation did was seek to provide a means for settling disputes in an orderly, in an understandable and in a fair fashion. We on this side pleaded with Members of the minority Government of the Day to listen to reason. We asked them to examine the evidence of how final offer selection was working in the Province of Manitoba before they made their final decision on final offer selection, before they decided to repeal legislation which in the eyes of many including the employers and the employees who had used final offer selection—we asked them to weigh the evidence.

Madam Deputy Speaker, although I cannot say that final offer selection remained after the last Session because the Conservatives listened to the evidence, circumstances of that particular Legislature, the minority status of the Government, the vacillating position of the Liberals and the steadfast opposition of the New Democrats all contributed to the Legislature leaving in place final offer selection.

Madam Deputy Speaker, there is no doubt that working people, certainly the people that had made presentations to that committee, who had spoken from the heart about their experiences on the picket line, who had spoken from the heart about the trials and tribulations of attempting to maintain a principled stand in the face of lost wages, in the face of increasing family debt, in the face of minimal strike pay, trying to maintain some dignity while on strike against a company with resources of untold amounts compared to the average individual worker.

Madam Deputy Speaker, what we said when we introduced final offer selection some three and a half years ago was that final offer selection would be a means of settling the most difficult disputes in the province. I to this day cannot understand why final offer selection which is essentially arbitration cannot be accepted as a useful tool for people who earn the minimum wage or above the minimum wage, people who are certainly not in the top 50 percent of the earners in the Province of Manitoba. If it is good enough for others, what is wrong with it for working people?

Madam Deputy Speaker, we cited example after example of final offer selection being used in the province. We showed that the rulings, when in fact a ruling was required under the final offer selection regulations, neither favoured the unions nor the employer. In those cases where an arbitrator finally selected a position between the employer and the employees, in fact it worked out 50-50.

I do not know how anyone can interpret the statistics that are a part of the public record as saying final offer selection creates some inequality. I cannot see how anyone can say that this piece of legislation creates a disequilibrium amongst the two parties. There is no evidence to support that.

Madam Deputy Speaker, it boggles the mind when the Minister of Labour (Mr. Praznik), not only this Minister of Labour but the previous one,

introduces legislation to repeal a very progressive piece of legislation and talks in the same breath about fairness. This Minister of Labour cannot point to one example where the imposition of a final offer has been called unfair by anyone.

* (1430)

The evidence that was presented in the last Session is overwhelming, and I can only indicate to the new Minister of Labour that the evidence since the last Session of the Legislature only contributes to the evidence in support of final offer selection. There is no evidence that this Government can put on the record which would indicate to anyone with a modicum of objectivity that final offer is not working, absolutely not.

Madam Deputy Speaker, the Minister in his defence of the introduction of this legislation, and I have to indicate that I thought the Minister's speech was quite defensive. I hope that reflects what I thought was some common sense that the Minister held. I hope the Minister perhaps has some remaining guilt, some remaining remorse for having to be the tool of the right-wing ideology of some of his colleagues.

Madam Deputy Speaker, I was not going to say a mindless tool, because anyone with a conscience, any person who illustrates, exhibits moments of remorse is not mindless. I think that is perhaps the tragedy in all of this, that the Member for Lac du Bonnet (Mr. Praznik) is not mindless. His speech which is quite defensive indicates to me that this Minister of Labour (Mr. Praznik) may not in fact have wanted to be the harbinger of this regressive and unfortunate piece of legislation.

The fact of the matter is that final offer selection has not only been successful in Manitoba, it has been successful in other jurisdictions, in Minnesota, for example, but it has also been used at the University of Manitoba quite successfully.

Madam Deputy Speaker, what is perhaps most astounding is that the Minister of Finance (Mr. Manness), the First Minister (Mr. Filmon) of this province and the Minister of Industry, Trade and Tourism (Mr. Ernst) continue to go about the province and travel the country and around the world promoting Manitoba as a good place to do business.

Madam Deputy Speaker, in fact in the Minister of Finance's (Mr. Manness) own budget document, we

see the most compelling evidence, the most compelling reason for keeping final offer selection.

The Province of Prince Edward Island which has a population of approximately 125,000 people is the only province for the last two years which has had fewer days lost due to strikes.

The fact of the matter is that final offer selection which has been in place in Manitoba now for some 41 months is contributing to the labour relations harmony that we have enjoyed in the province. Madam Deputy Speaker, the fact is that it is contributing to the labour harmony that we have experienced in this province.

I cannot remember the exact figure, but it is somewhere in the neighbourhood of 1.5 days lost per thousand per worker in the Province of Manitoba, certainly the lowest in Manitoba in many, many years. In fact, there may not have been any fewer days lost in the history of the province, but the fact is that we have enjoyed relative labour harmony since the introduction of final offer selection.

Madam Deputy Speaker, what is the Government attempting to do by the repeal of final offer selection? Who are they attempting to mollify? Who is going to benefit from the repeal of final offer selection?

The important question is, who was using final offer selection? Does Great-West Life use final offer selection? Madam Deputy Speaker, who is using it? Who is using final offer selection, and why does the Government, despite the evidence, want to repeal this legislation? Who are they attempting to satisfy?

The real irony of this is even the people who have used final offer selection, even the employers who have used final offer selection, have good things to say about it.

If the objective of the Government is as I believe it is, or I hope it is, to prevent long, protracted strikes in the Province of Manitoba, if the intent of the Government is to save both the business community and workers from the indignity of a long strike, and from the financial hardship of a long strike, then why will they not use the evidence, will they not use common sense to leave well enough alone? -(interjection)-

Madam Deputy Speaker, the Minister of Labour (Mr. Praznik) from his seat says, well, we want to make sure there is a balance. There is no evidence whatsoever. I have the Minister's speech in front of me—the Minister, in his remarks in moving second

reading, does not indicate in one instance where final offer selection creates this imbalance that the Conservative Caucus continues to talk about, not one single shred of evidence that there is any imbalance.

Madam Deputy Speaker, the repeal of final offer selection is only the continuation of a political promise the Conservatives made in the election of 1988. That is the rationale. -(interjection)-

We have the new Member for St. Norbert (Mr. Laurendeau) chirping from his seat. I guess the Member does not believe in free collective bargaining.

My question would be to Members opposite, which of these Members believe in free collective bargaining? Which of these Members believes that the use of arbitration for the doctors does not interfere with free collective bargaining? Is that the case?

The fact of the matter is that what these Members oppose is the use of a tool like arbitration for average working people. It makes sense according to Conservative philosophy to use arbitration for people who enjoy the highest disposable income in the province of Manitoba, but not for those who have very little disposable income. That is where the Member for St. Norbert is. He is a Conservative; that is the problem.

There are many, many on the Conservative benches, particularly in the back row, who know almost nothing about this issue. Perhaps it would serve this Legislature well if the Members in the Conservative backbenches were to read the record on final offer selection. I encourage Members who were not part of this Legislature in the last Session to read the Hansard of the Standing Committee on Industrial Relations. The Hansard that is the record of the presentations of groups, who came to discuss their feelings and their concerns about the repeal of final offer selection, is the most eloquent testimony to the impact of this legislation on labour peace in the Province of Manitoba.

I want to read for the record, and perhaps it has not been put on the record, the rather glib remarks of the Minister of Labour in a press release that announced the repeal of final offer selection. Glib, Madam Deputy Speaker, is understating the absolute meaninglessness of these statements. The Minister of Labour said that the repeal of this legislation will, and I quote: eliminate unnecessary

interference with the process of free collective bargaining.

Madam Deputy Speaker, there is not one single objective review of final offer selection that dictates a final offer selection which says it interferes with the process of free collective bargaining. I have bargained. I was the chairman of the Flin Flon Teachers' Association bargaining committee. I have bargained on many occasions.

Madam Deputy Speaker, final offer selection only comes into play when the two parties cannot agree on a particular issue. Final offer selection is a tool that a bargaining group would only use if they were very, very comfortable with their position. When would a group use final offer selection? A group would use final offer selection when there were apparently no alternatives at the bargaining table, when they were very confident in their position and when the bargaining had been protracted.

* (1440)

Madam Deputy Speaker, who can say in all honesty that this in any way creates an imbalance. Both parties understand going into a collective bargaining session that their position, the position that they finally table, could be used by a selector as the ultimate resolution of that bargaining conflict.

Both parties are compelled to be reasonable, to put forward their very best solution, to put forward a practical solution, to put forward a solution that would be interpreted as reasonable by an independent, impartial third party.

Madam Deputy Speaker, the fact of the matter is that there is no indication in any of the agreements that have been resolved since the introduction of final offer selection that this piece of legislation interferes with free collective bargaining, in fact quite the reverse.

There have been fewer days lost to strikes, there have been more agreements settled without the use of strikes. What does that tell you? That tells you that the people are coming to an agreement at the bargaining table without using strikes or in fact ultimately having to have a selector make a decision for the two parties.

In 85 percent or 90 percent of the cases where a party has registered to use final offer selection, has the selector actually made the decision. In 90 percent of the cases, Madam Deputy Speaker, the two parties go back and work on the final offers of the two parties and come to a mutual agreement.

Madam Deputy Speaker, what is interesting is that also what we said was going to happen when we introduced final offer selection. Final offer selection acts like a funnel, it actually requires both parties to adapt, to adjust, to manipulate their positions on the bargaining table, to appoint where a consensus is actually possible. It does not make any sense for any two parties in collective bargaining, to leave on the table positions that are outrageous, that are unintelligible or unreasonable.

The fact of the matter is no responsible agent, either for the employer or the employee, would ever leave on the table a proposal that was unreasonable. No one would want a selector choosing between two final offers, to look at one and say, this is outlandish, this is outrageous, this is ridiculous. The fact of the matter is final offer selection puts the collective bargaining process into a funnel. The final analysis is, as the individual clauses and proposals that were originally tabled by both sides worked through the negotiations process, they are brought closer and closer together by the impending, the possible use of final offer selection.

Madam Deputy Speaker, I do not know what it would take to convince the Government that all of the anecdotal evidence, all of the factual evidence, all of the statistical evidence that we have amassed since the introduction of final offer selection points to one thing and one thing only, and that is that final offer selection works. It works. If Members opposite believe they have a means of improving it, if the Members opposite believe that final offer selection can be improved upon, then perhaps it is their responsibility to stand up and seek to improve it. But repealing it makes absolutely no sense.

Madam Deputy Speaker, I and others who spoke when this bill was first introduced made it very clear that one thing is going to happen very quickly after the repeal of final offer selection. The number of days lost due to strikes is going to increase. It may not increase dramatically initially but it will increase.

I do not know who wins by that. I do not think the Conservative Party wins. I do not think the Conservative Government wins. I do not think those very few in the business community who actually want to repeal final offer selection win by this. I do not think anyone wins, I think everyone loses and it will be a tragedy.

These Members will have to explain to their business friends why the number of days lost due to strikes are increasing, why labour relations are increasingly hostile, why there is frustration amongst those who earn the least in this province. They are going to have to explain that to their business friends, the few who have encouraged the repeal of final offer selection now for the second time.

Madam Deputy Speaker, it was interesting being a part of the Standing Committee on Industrial Relations when we reviewed this, now only some months ago. We had expected, certainly we in the New Democratic Party had expected that the business community, those people who had been so vociferously opposed to final offer selection in the Chamber of Commerce would have come forward to the Standing Committee on Industrial Relations and put forward their arguments against final offer selection.

What happened? Well, it was interesting because very few, two I believe, representatives actually came forward to the Standing Committee on Industrial Relations to present the case against final offer selection. There were literally hundreds of groups prepared to make presentations in support of it, but the business community, the community who, certainly these Members opposite believe, had the most to gain from the repeal of final offer selection, did not come out in large numbers to defend the repeal of final offer selection which relates back to my first question—who is pushing the repeal of final offer selection? Who is going to benefit by the repeal of final offer selection?

Madam Deputy Speaker, the fact of the matter is that very few businesses are going to be affected by the repeal of final offer selection. The people who are going to be affected are the vast number of working people who have no other protection. The people for example who worked for SuperValu, who had no pensions, no guarantee of hours, no benefits, who were continually being harassed by management in one way or another, who were in the throes of a protracted strike which was damaging their own financial security, those are the individuals who are going to be penalized by the repeal of final offer selection.

I suppose we will have an opportunity to see whether the business community, which I can only suspect is promoting the repeal of final offer selection within the ranks of the front bench, come

before committee and lay out in no uncertain terms why they believe final offer selection needs to be repealed. I would lay that as a challenge to Members opposite, to those in the province who believe that the repeal of final offer selection is necessary, to make the case that this will benefit the province in any definitive way.

If they can show us that the repeal of final offer selection is going to reduce the days lost due to strikes, if they can show us that workers will not be harmed, if they can show us that the bottom line of businesses is going to be improved by the repeal of final offer selection, then I want to see it. I cannot believe that any legislation that cuts down on strikes is not good for the bottom line of corporations. I know that no business executive came before the committee last year and said, yes, strikes are good for the bottom line, let us have more of them.

* (1450)

If the evidence is overwhelming that we have fewer days lost due to strikes, if we know that final offer selection is not being used as a sledgehammer to make sure that unions get their way, because in the last record that I saw, out of something like 72 or 73 applications for the use of final offer selection, only five cases had actually had a selector impose an agreement on the party. Out of those five, it was three union and two management. There have been a number since. The numbers are still balanced.

What is interesting, Madam Deputy Speaker, is that so few of the cases where final offer selection was actually applied for came to rely on a decision of the selector. The parties came to an agreement after the application to use final offer selection had been made. What are we trying to accomplish by repealing this legislation?

It is obviously working to the benefit of collective bargaining. It is working to reduce the number of days lost, and that is not only my opinion. When the previous Government introduced final offer selection there were some union executives, some representatives who did not favour the use of final offer selection, but since the introduction of final offer selection, having watched now for three years final offer selection in practice, I can say that right now there is no dissenting opinion amongst the unions in the Province of Manitoba.

They have come to recognize that what we said final offer selection would do, it has done. It has reduced strikes, and it has given the collective

bargaining process another tool to prevent strikes, something that we all want. Madam Deputy Speaker, what Members opposite do not know, and I would be willing to suggest this is true, is that the final offer selection legislation, when it was introduced, also had what is called a sunset clause.

When final offer selection was introduced, it was recognized that it was controversial, that there was no other jurisdiction in Canada at the time that used final offer selection, and so a five-year sunset clause was built into the legislation. That means that if we repeal final offer selection at the end of this Session, we will have been a little more than three years into the experiment of final offer selection.

If Members opposite are at all interested in the real record of final offer selection, why the insistence that final offer selection be repealed? This Government could technically live out its mandate of four years and have final offer selection disappear without this, I would say, embarrassing attempt to defend the indefensible.

Final offer selection would be repealed, would disappear from the labour scene in a little less than two years from now. So why the haste? There is no obvious cry in the business community to repeal final offer selection. All of the evidence indicates that final offer selection is working. Final offer selection, in any event, is going to lapse at the end of the five-year period, a little less than two years from now. Why the indecent haste? Who is banging the drum that you are marching to, or is there any drum? Is anyone leading this particular Government?

Perhaps, Madam Deputy Speaker, I am missing what is motivating Members opposite. Perhaps the repeal of final offer selection is on the Order Paper and we are discussing it, because they could not think of anything else to do. Maybe that is what it is.

When you look at the Order Paper—in fact we could go back to last year's Order Paper. Last year's Order Paper consisted of legislation which New Democratic Party Ministers had been working on and the repeal of final offer selection. Now that we have passed virtually all the legislation that was in the works when this Government took over in 1988, they have no agenda whatsoever. So what we are left with is final offer selection and the retreaded Business Practices Act, which was also an NDP-prepared piece of legislation.

So, when you think about it, perhaps that is the reason we are faced with this legislation. They could

not think of anything else to do. A rather pathetic motive for doing anything, but the more you think about it, Madam Deputy Speaker, I think the more obvious that that is the correct solution to this phenomenon. They could not think of anything else to do; there can be no other explanation. It is working, there are very few strikes, no one is asking for its repeal, so the obvious answer is, they are doing it because they could not think of anything else to do.

Madam Deputy Speaker, I want to go back to the Minister's November 9th release. First he said that he was going to eliminate unnecessary interference with the process of free collective bargaining. Nobody believes any more that final offer selection does that.

The Minister of Labour (Mr. Praznik) can put on the record anyone who believes that this is the case today, then I would like him to do that. He certainly did not do that in his remarks on November 9th.

He says he wants to restore the balance which has been altered by the existing FOS provisions. Restore the balance; what balance are we talking about? Are we talking about the fact that year after year we have fewer days lost due to strike. Are we trying to overcome the fact that, even when FOS was applied for, it was very seldom used; that the selector chose in only a small fraction of the actual applications? What balance are we trying to restore? We have the best record of labour peace in the country, we have had for the last couple of years. What are we trying to restore?

This is an interesting one: Ensure that the provisions of collective agreements are freely negotiated and acceptable to the parties as opposed to being imposed by a third party. Final offer selection—this is interesting—imposed by a third party. How can a Government in all sincerity who has given the doctors—who have the highest disposable incomes in the province—arbitration, say that is not acceptable? That is the most obvious double standard that you can imagine. What message does it send to working people? What message does it send to wage earners in the Province of Manitoba?

The Minister of Labour (Mr. Praznik) says, ensure that the provisions of collective agreements are freely negotiated and acceptable to the parties as opposed to being imposed by a third party (interjection)-

Madam Deputy Speaker, the Minister of Environment (Mr. Cummings) says what was my position. My position was that final offer selection was a fair alternative. My position was that final offer selection encouraged collective bargaining in good faith. My position was the facts supported me in that belief. There is no reason for this repeal.

* (1500)

What is most interesting, however, is the contention by the Minister of Labour (Mr. Praznik) that final offer selection remains available to both sides should they volunteer to agree to it. That is the most condescending of remarks that one can imagine. Of course, Madam Deputy Speaker, anything is available to two sides if they agree to do it. Final offer selection was part of the labour legislation in the province which gave people the right to use that to prevent strikes. That was its objective. That was its objective in its entirety, and it did that.

For the Minister of Labour to try and create excuses for the repeal of this legislation, in such an obviously thinly disguised way, does certainly no credit to himself or the Government.

Finally, it says, help avoid creating any divisions between a union and its membership. Madam Deputy Speaker, we have dealt with that. There is no division. The union leadership and its membership are at one with regard to this issue. It is working to their benefit and to the benefit of all Manitobans and businesses, I think, are the benefactors as well. This is an unfortunate piece of business and this Minister of Labour should not have involved himself in it.

Committee Changes

Mr. Edward Helwer (Gimli): Madam Deputy Speaker, I would like to make some changes to the committees.

I move, seconded by the Member for Niakwa (Mr. Reimer), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: Neufeld for Cummings and Render for Orchard.

Madam Deputy Speaker: Agreed? (Agreed)

Hon. Harry Enns (Minister of Natural Resources): Madam Deputy Speaker, I am compelled to enter into the debate on final offer selection, because of the close attention that I try to pay most Honourable Members when they speak in

this Chamber. I was just coming in the door when I heard the Honourable Member who last spoke, the Member for Flin Flon (Mr. Storie), talk about the compelling reasons to keep final offer selection. Later on he went on to indicate that the only reason why our Minister of Labour and this Government is introducing the repeal of this Bill is because we promised it during an election.

Madam Deputy Speaker, we want to talk about actions of politicians being responsible for the cynicism that has developed to an all too great a height among the electorate. If we hear that kind of talk, what other compelling reason is there than to carry out an election promise? Can you name one?

Madam Deputy Speaker, let me reverse the issue for my honourable friends, the New Democrats, for a moment. They have clearly indicated to the public before the last election, during the election, that if they formed the majority Government, they would not repeal this piece of legislation. Am I not right?

Now if they stood up in this House and repealed the legislation, would that not be cynical action? Surely, Madam Deputy Speaker, Honourable Members cannot find the least bit of fault in this Minister of Labour (Mr. Praznik) or in this Government for doing precisely what we promised the people of Manitoba, not only during the last election, but in this case the people of Manitoba knew it was our intention from the '88 election, and we tried.

Therein lies another lesson for all politicians to behold. I can have some respect for my friends the New Democrats. They have a position on this matter, clearly stated, and the people of Manitoba understand it. I demand and I think it is only fair that the people of Manitoba also understood that we had a very clear position on this matter, and we stated it clearly. There was no hidden agenda, Madam Deputy Speaker.

Now, let us look, and I do this with all the charity in my heart, at the position of the Liberal Party on this issue. They tried to have it both ways and then walked into an election and they walked out of that election with the people not understanding what it was that the Liberal Party stood for. That is but one of the reasons why the Liberal Party is sitting where they are sitting now, and my friends opposite are sitting where they sit.

I just could not resist the opportunity to remind all of us from time to time, there is no more compelling

reason for any of our action from time to time in this House, other than the one that we made a commitment, that we made a promise to do something. Surely it is what turns Manitobans and what turns Canadians off of the whole political process if they are led to believe and if actions demonstrate that, once selected, their politicians, their Governments do not do what they have promised to do.

I am very proud to be part of this Government. I am very proud to have a seat mate with the Minister of Labour (Mr. Praznik), this young Minister of Labour, who is about to make a mark in the history of labour legislation in this province. I predict a great future for this young man. He will help me in my aging process you know to carry on with my responsibilities from time to time.

I say to Honourable Members opposite, they have to find a better reason, a different reason and as the Minister of Transportation (Mr. Driedger) said, we have heard them before, fortunately on this case, and I respect their right to keep on repeating them. The issue that the Member for Flin Flon (Mr. Storie) raises, that the only reason we are doing it, because we promised it in our election time, simply does not wash. Thank you.

Mr. Paul Edwards (St. James): In recent times it has been my great pleasure to speak immediately after the Minister of Natural Resources (Mr. Enns). He always is a tough act to follow, but he always gives me lots of fodder to talk about.

Madam Deputy Speaker, it gives me pleasure today to rise on this Bill before the House, Bill 12, which seeks again to repeal final offer selection. It gives me no small amount of pleasure, because I too want to talk about the changing of positions. Let me start by saying that it was clearly my view at the time and continues to be, that final offer selection was an unbalanced and indeed unnecessary piece of legislation for this province. However, we took seriously in our Party, the public hearing process in this province and we went to that public hearing process, and many of us here sat on that committee night after night after night and we heard many individuals.

I believe that the Member for Flin Flon (Mr. Storie) is correct when he says that there was a lack of representation from the business community at that hearing process. I made it my business to seek out the people who perhaps should have been at that

committee on behalf of the business community, but I heard first hand many of the representations made not only by the union leaders, but by the workers themselves who came forward in large numbers.

Surely the Minister of Natural Resources (Mr. Enns) will agree that we have a public hearing process in Manitoba, which should mean something, which should not just be by rote, that we sit there and listen to it and all tap our pens on the desk, and then go on and do whatever we feel like, and not listen.

We, perhaps being novices in the field, actually deigned to take that public hearing process seriously. Perhaps, we should have known better from the veterans around us that they just sat there and went to sleep, which is what they do in the public hearing process. We, as Liberals new in the House, actually thought that the public hearing process was supposed to mean something.

Madam Deputy Speaker, to that end, by the end of the hearing process, it was clear to us that perhaps, just perhaps, the politicians around that table from all three Parties and the politicians of the day who brought in final offer selection and those who were seeking to repeal it did not have all the answers.

Perhaps we felt the answer lay in further study of what final offer selection was actually doing in the Manitoba work force and in the Manitoba economy and for that reason we, and we alone, sought common sense and tried to inject it into that debate. Politically it was an unwise, unfruitful decision. We knew that at the time, but we sought a higher goal. The higher goal was for the first time in 20 years to inject some common sense into labour relations in this province.

* (1510)

We have seen these two old, tired Parties through their machinations choose a side in the labour relationship and bow at the altar of the union or bow at the altar of the Chamber of Commerce to the detriment of the Manitoba economy and to the detriment of the Manitoba work force. We have seen that again and again and again. The fact is that final offer selection is a relatively complex piece of legislation. It is not something which is easily understood and attained by people in an eight-second television clip.

That is why, Madam Deputy Speaker, you run a serious risk by attempting to take a position which

does not ascribe to political rhetoric and political rhetoric alone. That is what we did, and we did it because it was the only common-sense approach to this issue being put forward in this Legislature. -(interjection)- The Member for Elmwood (Mr. Maloway) says we got snookered. Politically, he is correct. Politically, he is right, and I hope that Party is satisfied with the political points which they have scored. They did not do the best thing for Manitoba. They did not do the best thing for this province and this economy and neither did their colleagues and indeed their cohorts in this conspiracy, the Progressive Conservative Party of the day, who bowed at the altar of free enterprise.

Let us be clear. These two Parties have no basis on which to say final offer selection has either been a panacea, as the New Democrats would like it to be seen, nor has it been the disaster that the Progressive Conservatives have always painted it to be. It has not been either.

Despite the fact that they stand again and again now, and they did at the time, and say, it is the worst thing to ever hit this province; it is a blight on the economy of this province—it is not that. It is the most wonderful thing for the working man; it is going to solve the ills of labour relations—it is not that.

Somebody, sometime, had to inject a common-sense approach into this issue. We did it. It was at a political cost, and we knew that, and that political cost was paid. It was paid because it was felt that it was the only way to have brought common sense to this issue.

Let me now go on to show, Madam Deputy Speaker, how that has indeed come true. We are now very close to the end of 1990, to the end of the year when under our proposal final offer selection would have been repealed. Why December 31, 1990? It is a very simple answer.

The three-year time period between January 1, 1987, and December 31, 1990, offers Manitoba unions—and this only applies to organized workplaces—offers in excess of 90 percent, somewhere between 94 and 96 percent as I recall, of the unions in this province, at least one opportunity to negotiate under the final offer selection regime. That is an appropriate window to assess the desirability of final offer selection and its real impact on the Manitoba economy.

You then have the overwhelming majority of unions and employers in Manitoba to study, and

what they have done in a final offer selection regime. Many have not used it at all. Many have not needed to use it. We can learn from that. Those who have used it, we can learn from that. We can see how far they went along. We can see whether or not they got in front of the selector and what the ultimate result was. We can speak to them and find out the dynamics of the relationship as it worked in a final offer selection regime.

That was the only common sense approach which could have been taken, which should have been taken. It was one put forward by our Party. I am proud to say that it was put forward by this Party. The Minister of Consumer and Corporate Affairs (Mr. Connery) says no one agreed with us. The fact is that anybody who was not directly linked to the Chamber of Commerce or directly linked to a union agreed with us.

But, Madam Deputy Speaker, the problem is, as we acknowledge, and as Members of this House know being elected officials, this is not an issue that you can sell in five or 10 seconds on a TV clip, and that is the only forum that these two Parties want to debate this issue in. That is the only way they want to get their message out, in the media clip and it was a lesson to me for that reason, you learn that the politics of the issue became the dominant factor. That is not what the people of this province deserve, and it is not what they ultimately want.

It is what they have had for 20 years, and so they are used to it, but it is not in their best interests. Let me go on to say that common sense, indeed, was sacrificed on the altar of political expediency by both of these Parties who could not move from their masters of the day, in the case of the New Democrats, a few noted union leaders and the unions they represented, and in the case of the Progressive Conservatives, the Chamber of Commerce.

I want to relate a somewhat humorous incident which occurred to me on the day that our Party put forward our amendment. I think it is probably the first time this has happened in the last 20 years. I received a call from both the President of the Chamber of Commerce and the head of the Manitoba Federation of Labour, before seven o'clock in the morning, both of them saying, we do not like what you are doing.

I would venture to say, Madam Deputy Speaker, there has not been a politician in either of the other

two Parties who has had that happen in 20 years, and some would say that is a failure when that happens. I believe that the majority of Manitoba workers, the majority of Manitobans are not union leaders, and the majority of Manitobans are not business people who ascribe to everything the Chamber of Commerce says they should. It is that silent majority who, I believe, the Liberal Party was speaking to.

It is time somebody took a common sense approach and did not enslave themselves to every iota and every comma and every sentence that is uttered from one of the two interest groups who represent the extremes of the spectrum. If we know anything from the way the world is going today, Madam Deputy Speaker, it is that we cannot enslave ourselves to one of the two dichotomies on that spectrum. If we want to learn from the Japanese experience and the European experience, who are so far ahead of us in this it is scary. If we want to learn, we know that we must develop a consensus oriented co-operative approach to labour relations and that is something which both of the other two Parties deeply fear.

(Mr. Speaker in the Chair)

Mr. Speaker, they deeply and fundamentally fear the light of common sense being shone on them. They squint when it is shone on them because they know that the audience they are playing to cannot stand deviating from the rhetoric of the day.

Mr. Speaker, let me talk about the issue raised by the Member for Flin Flon (Mr. Storie), the strike days lost. He knows full well that the strike days lost in this province—a number of factors impact that figure and at least three of them are far more important than anything final offer selection has had to do with it. The general economic tenor of the province is the foremost factor in determining what strike days are lost and what are not lost.

The real record that has to be looked at with respect to the New Democratic Party when they were in power is the record of the unionization rate. Surely that is where our emphasis should be, and that is where their emphasis should have been, not on the gimmicks put forward by them, Mr. Speaker, but on real improvement of the work environment. That is fundamentally achieved by increasing the number of Manitoba workers who bargain collectively.

Despite all of their years in power, they were never, never able to increase the unionization rate in this province any more than marginally above the national average. I think that shows them to be the failure they have been. They have always played to the political gimmick.

* (1520)

Mr. Speaker, let me go on to indicate that when this piece of legislation first came in, it was not studied at the time. It was brought in at the behest of some notable union leaders in 1986, and the New Democrats did it in my view and according to my information at their behest and their behest alone, and the union movement indeed split over this issue. The major unions, many of them, opposed final offer selection.

It has not been studied since then in any real way, Mr. Speaker. Neither the Department of Labour nor the unions themselves have ever attempted to do in-depth analysis of final offer selection from both perspectives. That can only be achieved by returning the labour relations environment to the status quo and then getting people who are neutral, who are impartial, who can actually sit down and speak in confidence to the people who have used final offer selection, learning what the dynamics of the relationship were during the final offer selection process and looking with a neutral eye at the effect of final offer selection on our economy and our work force. That is what we propose.

Mr. Speaker, I want to conclude my comments by saying that we do very much look forward to this matter going to committee. We think that our position will increasingly be seen as the one which should have been taken at the time and indeed should be accepted today. It is not too late to take a common-sense approach to this issue. We are now approaching December 31, and we have the three year experience or very close to it. It is an appropriate time to study final offer selection in a dispassionate environment which is not the slave to political rhetoric.

Mr. Speaker, it strikes me as very ironic that, as I understand it, discussions are now going on between the two major Parties as to just when it will be repealed. We know that under our amendment it would have been repealed December 31. It will be very interesting to see if in fact the Conservatives will achieve that. It will be very interesting indeed to see that. It will be interesting to have them report to

their Chamber of Commerce gods as to exactly why it lasts beyond December 31 if indeed it does, because under our amendment it would have been gone as of December 31.

With respect to the New Democratic Party, they now are in a position where they can do nothing except see final offer selection be repealed outright—outright repealed. How ironic is that, Mr. Speaker, when we put forward the amendment which would have allowed an independent examination of final offer selection and had that tabled publicly in the Legislature within five months of it happening.

Mr. Speaker, it would have been a significant advantage to this Party if they truly believed that final offer selection would be seen in a positive light after that review, and they have said that many times. They have said, nobody examining final offer selection in a dispassionate way would be able, possibly, even potentially, to say that it was bad for Manitobans. If they truly believed that, they would have taken the opportunity to have that study done, but no, the glare of common sense cannot intrude upon the New Democratic Party; we know that from experience.

We now have the New Democratic Party, they are going to have the repeal of final offer selection cut and dried, no analysis, and you know what, Mr. Speaker, that suits them just fine. They do not want an analysis of final offer selection because that would deviate from the political rhetoric with which they participate every single day in this House and every time anybody has stood up on this particular issue. That has been the daily diet. That is all they talk about.

We know, Mr. Speaker, that any number of statistics can be massaged endlessly. Anybody in this House, who has spent any time in politics, knows how to massage statistics. It is the daily diet of both of the other two Parties, no more so than on this issue. What was needed and what was forfeited by these Parties was an opportunity to be a common sense Government and to be a common sense approach on this issue.

Mr. Speaker, I think that was tragic for this province. I think the fact is that these two Parties have both said to the people in this province, we know best and we do not really have to look at this, and we do not have to listen to you because we know best. It really does not matter what you say

because we have made up our minds, and we do not really care what has happened in the last three years.

The Member for Assiniboia (Mrs. McIntosh) asks me, what is my position? My position, Mr. Speaker, is the position that should have been taken for the betterment of this province for many, many years and that is, no one in this Chamber knows all, least of all the Member for Assiniboia. No one in this Chamber has all of the answers on labour relations.

Mr. Speaker, if you want to put more than words to the theory that we should listen to the people, you would go and you would get the people who can give you the answers on how it has actually worked, and not the union leaders and not the head of the Chamber of Commerce. They have vested interest in this and both of these Parties in this House have vested interest in them, and somebody tried to break away from that in this province. I happen to believe that the day will come when Manitobans realize the absolute garbage that they have been fed by these two Parties for 20 years in the area of labour relations. They have been fed it again and again and again.

Let me conclude, Mr. Speaker, by saying that this is indeed another example, I believe, of the need in this province for someone to occupy the middle ground and, you know, it has been said and it has been said in a half joking manner many times to many of us who are Liberals, you have the easiest role of all, you do not have to make the hard decisions. Well, let me tell you, we know that taking the middle ground to common sense approach is often a very, very difficult position to take.

Mr. Speaker, sometimes, in fact most times, taking the extreme positions, that is the easy road to take because you play to people, you play to the voters and you rely on the fact that the majority will not expose you.

Mr. Speaker, we have seen that exploited by both of these Parties for nigh on 20 years. It is time for a change. It is time for all of us, regardless of our political stripe to understand that just as in the market itself, we must start to co-operate and develop a labour relations environment which works for the employer and the employee.

We must recognize that and we must emulate that in this House as best we can. It has not been done to date and I repeat that the overwhelming, I think, sign that the New Democrats failed in their labour

relations strategy for 20 years is that they never took the unionization rate any more than marginally over the national average and that is despite all of those years and all of that rhetoric, Mr. Speaker. That would have been real progress.

The unionization rate is still in the mid-30 percent and that is where it is nationally. Real progress would have been more than gimmicks like the New Democratic Party put forward in their tenure in Government. Real progress would have been giving Manitobans the ability to collectively bargain in larger numbers than they ever did.

We now have a Government which will not, and indeed I think cannot, given the commitments they have made and the links that they have forged, respect workers' rights in this province. We have seen them be the slave to the Chamber of Commerce. We saw that in Workplace, Health and Safety. When they reduced the carcinogen levels in the workplace, they did it at the behest of the Chamber of Commerce, a report which admitted in and of itself that it was not a complete report, and they will do it again.

That is what they are doing now. There was an answer. It was put forward, Mr. Speaker, and I am proud to say that it was put forward by this Party and this Party alone. That opportunity was missed and will not come again, it appears, unless either of these two Parties decides to abandon for once the rhetoric and the change that they have bound themselves too. I look forward to their consideration again of the only common sense solution in this case which will be put forward again by this Party in the hopes that someone in one of the other two parties has the courage to move from their slaves on the extremes. Thank you, Mr. Speaker.

Mr. Conrad Santos (Broadway): Thank you, Mr. Speaker. I am honoured to participate in this debate on the repeal of the final offer selection process in The Manitoba Labour Relations Act. Before we can understand this problem, it is essential to understand the process of collective bargaining within the context of the objectives and purposes of The Manitoba Labour Relations Act.

* (1530)

Collective bargaining is the process of negotiating between management representing the interests of the employer and the union representing the interests of the employees relating to the rates of pay, the hours of work, other terms and conditions

of employment which act to govern the employer-employee relationship for the duration of the collective agreement.

It was in 1948 that The Manitoba Labour Relations Act was originally enacted. Later the statute was renamed The Manitoba Labour Relations Act.

The basic purposes of this legislation was embodied in its preamble and I quote, Whereas it is in the public interest of the Province of Manitoba to further harmonious relations between employers and employees by encouraging the practice and procedure of collective bargaining between employers and unions as the freely designated representatives of employees; therefore Her Majesty enacts as follows the legislation.

If we analyze this preamble, we can extract three basic objectives or purposes of The Manitoba Labour Relations Act. First, to further the harmonious relations between employers and employees; second, to encourage the practice and procedures of collective bargaining and third, to foster the selection of the union as the freely designated representative of the employees in collective bargaining.

The first objective of The Manitoba Labour Relations Act is to further the harmonious relations between employers and employees. This objective assumes that there exists a relationship called employer-employee relationship. In the olden days before unionization there was no existing relationship. If an employer wants to hire someone to work for him, the employee has to enter into a personal contract of service, exchanging his labour for wages. After the emergence of unionization this personal contract of employment has been transformed into what is known as a collective agreement, a collective contract that exists to protect the relationship of employer-employee relationship for the duration of that collective agreement.

It is the societal desire to equalize the bargaining powers of the parties and that the additional obligation has been imposed by a statute incorporating into the collective agreement certain norms and rules governing the employer-employee relationship. It is essential that this collective contract, this collective agreement also contains employment standards such as rules as to minimum wages, hours of work, holidays and other related

matters. It is also essential that they embody all the rights and obligations under health and safety rules, under Workers Compensation Act, unemployment rules, as well as human rights legislation standards.

If the objective of The Manitoba Labour Relations Act is to further the harmonious relations between employers and employees, there is a constant need for a peaceful renewal of this employer-employee relationship in an atmosphere of mutual trust. For bona fide and good faith and a large quantum of goodwill and mutual understanding between management and labour. Essentially the Legislative Assembly of Manitoba has ordained that it is in the public interest to foster and advance and not to hinder the harmonious relationship between employers and employees.

The second objective of The Manitoba Labour Relations Act is to encourage the practice and procedures of collective bargaining. To encourage the practice and procedures of collective bargaining they are ordaining and guaranteeing to every employee certain basic rights. Among these are the right to participate in the organization of a union, the right to become a member of a union, the right to participate in the activities of a union. Similarly on the other side, the labour laws of this province recognize that every employer has the right to participate in organizing an employer's organization. Every employer also has the similar right to become a member of an employer's organization and also the similar right to participate in the activities of an employer's organization. Every person who interferes with the basic rights of either the employee or of the employer as members of such respective organizations who makes what the law considers an unfair labour practice.

When the employees organize themselves for collective bargaining, effectively in the eyes of the law they become a union, a union with legal rights and subject to the rules and regulations governing the relationship between employer and employee. The term "union" is broad enough to include also a federation of many organizations of employees, even an organizational unit composing only of a single employee, in case there is such. When a union is certified and certification is subsisting, the union achieves a legal status in the law and it becomes a certified bargaining agent for the employee. Therefore it can act on behalf of a unit of employees appropriate for collective bargaining, whether it is a craft union, technical unit, employee

union, plant unit or any other kind of union. As long as it is a unit appropriate for collective bargaining they can act as a union and enter into a collective agreement.

To encourage the practice and procedure of collective bargaining, the industrial relations of Manitoba also enjoin every employer and every person acting on behalf of an employer at a critical time when the union is seeking to become a certified exclusive bargaining agent for the employees, not to discharge or not to refuse, not to re-employ, not to transfer, not to lay off, not suspend, not to alter the status of such an employee as a member of the union if such an employee has applied for membership in the union.

There is also a continuing prohibition to employers and persons acting on behalf of an employer not to participate or interfere with the formation, selection or administration of a union in the process of representing the employees as the bargaining agent, or to contribute financial and other support to a union. In general, when notice to commence to collective bargain is given, the certified bargaining agent and the employer are both under the legal duty to bargain collectively in good faith with one another and to make every reasonable effort to arrive at a collective agreement.

The third objective of The Manitoba Labour Relations Act is to foster the selection of the union as the freely designated representative of employees in collective bargaining. In Manitoba, as in any other Canadian jurisdiction, employees are free to form themselves into a union and to invoke legal sanctions in support of their collective right to bargain collectively on behalf of the employees.

It was the pursuit of this third objective of the Manitoba industrial relations Act that any employee exercising managerial functions or employed in a confidential relationship with respect to labour relations cannot interfere with this process. If during the time when the union is seeking to be certified such agent with managerial capacity intimates to the union that somehow the attitude of management would change if they become a bargaining union, that will be a form of unfair labour practice. Also similarly, to foster the selection of a union as a freely designated representative of the employees in collective bargaining, every employer is prohibited from refusing to employ or discharging or discriminating against a person just because he had participated in some union activities.

* (1540)

Briefly, The Manitoba Labour Relations Act has created a system by which it sought to promote the harmonious relationship between employers and employees, encourage the practice and procedure of collective bargaining and foster the selection of the union as the freely designated representative of the employees in the process of collective bargaining. In this setting the question is: Given the so-called doctrine of free collective bargaining, is any form of compulsory interest arbitration justifiable as a formal alternative to work stoppage as a result of strike or a lockout?

According to George Adams' Canadian Labour Law, two parties who seek to negotiate a collective agreement may, instead of resorting to work stoppage, either because of a strike initiated by a union or because of a lockout initiated by management, the two parties instead may resort to what is called "interest arbitration," whereby a neutral third party will be called upon to finally decide all outstanding issues in order to arrive at a peaceful collective agreement either in accordance with the provision of a statute, or in the case of renegotiation under the provision of an existing—yet about to expire—collective agreement.

The question is: Is compulsory arbitration compatible with collective bargaining? What are some of the arguments against compulsory interest arbitration to resolve labour disputes, and what are some of the arguments in favour of compulsory arbitration to prevent an impasse or a breakdown of collective bargaining. Those people who argue against compulsory arbitration say that compulsory arbitration is a procedure that will ultimately destroy free collective bargaining itself, because allegedly it removes the freedom to negotiate by giving ultimate decisions to a third-party arbitrator to impose his opinion and preferences upon the contending parties.

The second argument is that compulsory arbitration will have a narcotic effect of habituating the bargaining parties to avoid the rigors of hard bargaining, and simply rely upon the decision of the arbitration board or the arbitrator to write the collective bargaining agreement for them.

The third argument is that compulsory interest arbitration is alleged to have a chilling effect on the motivation of the parties to bargain in good faith, anticipating that the arbitrator somehow will tend to

compromise between the two positions, each party tending to take extreme inflexible positions, avoiding the usual trade-offs in the hope that the arbitrator will split the difference in his arbitration award.

On the other hand, in support of the view that compulsory interest arbitration is compatible with collective bargaining, it has been argued that interest arbitration is a procedure that is closely akin to other procedures in resolving labour disputes, such as the use of quasi-judicial tribunals. Therefore, the curtailment of freedom by arbitration is not really a radical departure from the usual pattern by industrial labour institutions conflict-resolution mechanisms.

Secondly, compulsory interest arbitration guarantees a finality that is needed in resolving labour disputes, and this finality is achieved without resort to a stoppage of work, without economic dislocation.

Thirdly, the threat of arbitration itself operates in the same way as the threat of a strike, and therefore arbitration is equally effective in providing the needed incentive to the parties to negotiate in order to reach a voluntary agreement.

Carl Steven, in a famous article entitled *Is Compulsory Arbitration Compatible with Collective Bargaining*, states that economic strike is the weapon by means of which each party may impose upon the other the unusually high cost of disagreement. The economic weapon of a strike is the means used, will impose a high cost of disagreement on the parties refusing to make concessions. This is at the heart of industrial relations in our mixed, primarily capitalistic, laissez-faire economy. Consequently, it has been argued that compulsory arbitration is strike-like mechanism. It is a method like a strike to which the party may impose upon the other party a high cost of disagreement, eventually creating upon the parties a motivation to seek the consensual zone of mutually preferred areas of settlement.

What is now the essence of the system that exists in Manitoba, a system we call final offer selection? It is for the purpose of overcoming the chilling effect of conventional compulsory arbitration on the motivation of the parties to bargain in good faith for the purpose of reaching a voluntary settlement, that a new form of arbitration, what is known as—by different names, it is called either-or, last offer, or

one or the other types of arbitration, but we in Manitoba have understood it to be final offer selection.

Final offer selection is the ultimate antidote that is offered to overcome the chilling effect of conventional interest arbitration. In other words, the final offer selection is designed to remedy the chilling effect tendency of conventional interest arbitration to undermine and supplant the bargaining process in the sense that those who refuse to make concessions under the conventional interest arbitration are given advantageous positions, while those who concede and who make concessions and who soften their position are placed in a disadvantageous position.

Final offer selection attempts to increase the cost of the agreement of one party to the demand by the other party by eliminating the discretion of the arbitrator to a compromise and forcing the arbitrator to select one or the other of the offer. There will thus be a mutual endeavour on the part of both sides of the contracting parties to offer their best alternative. They will be reasonable on both sides, because if they become unreasonable there will always be this risk that the arbitrator will not choose their position, but will choose the reasonable position. Therefore, it is an incentive to be reasonable and both parties will come closer to each other in their offer and in their mutual offer so that a reasonable voluntary settlement could better be expected.

Final offer selection came to us as a form of first contract legislation. It existed also in other jurisdictions. It existed in the case of the federal Government of Canada since 1978 and also in at least five Canadian provincial jurisdictions. It was first initiated in British Columbia in 1974, in Quebec in 1977, amended in 1983. In Manitoba we came to know final offer selection in 1982; the legislation was amended in 1985. In Newfoundland the system was instituted in 1985 and in Ontario it was instituted in 1986.

In all these systems the common underlying theme of this first agreement statutory provision is the legislative imposition of a first collective contract in default of voluntarily negotiated settlement. If the parties fail to come to a voluntarily settled collective agreement, then the law will impose a first collective contract.

In Canada this first agreement arbitration legislation is resorted to as an exceptional remedy,

but in Quebec after the 1983 amendment the first contract arbitration is considered simply as an ordinary remedy in the Province of Quebec. Even in British Columbia where the New Democratic Party under the leadership of Dave Barrett first initiated the system of first collective contract arbitration remedy, it was not the plan to use it as an automatic response to an impasse in collective bargaining.

*(1550)

Paul Weiler, the famous chairperson of the B.C. Labour Relations Board, later professor of law at Harvard University, noted in his book entitled, *Reconcilable Differences: New Directions in Canadian Labour Law* that the main concern then in British Columbia was the "deadlock produced because the parties were incapable of bargaining at all, especially if one of the parties—typically, though not exclusively, the employer—had simply not accepted the principle of collective bargaining itself."

In such an exceptional situation an imposed collective bargaining agreement is viewed as fully justified. Indeed, the B.C. Labour Relations Board intended to use the first contract arbitration remedy only in the narrow range of situations where there is an anti-union employer who was exerting all his energies in deliberately stalling settlement in every possible manner.

The first contract arbitration in B.C. was intended to be used when there is a first contract situation of a kind characterized by a refusal to bargain in good faith. The first collective contract arbitration remedy was meant when there is a first contract situation of hard bargaining where one of the parties is absolutely refusing to bargain and come to a settlement.

According to Paul Weiler, the first contract arbitration remedy is the means that was designed to achieve three purposes: first, to put an immediate end to confrontation especially in those situations where an anti-union employer was continually stalling the union's support among all the employees, and yet the union remained supported by the employees in the union; second, is to promote understanding between the union and management just like a trial marriage situation so that they will become accustomed to the habit of collective bargaining; thirdly, to prevent bitter and destructive union-management confrontation resulting in

economic dislocations and other undesirable consequences.

When the Social Credit Government took over the administration of labour legislation in B.C., there was a consistent pattern of refusal to exercise ministerial discretion on the part of the Minister of Labour. They seemed to continue not to refer things to the first contract remedy until very recently when the Social Credit Government allowed one union application to be referred to the B.C. labour board.

How does the Manitoba system for first contract arbitration remedy work? How does it actually operate? When a union has been certified as the exclusive bargaining agent for a unit appropriate for collective bargaining, a notice is given to the employer to commence collective bargaining with a view to concluding a first collective agreement and where the conciliation officer has been appointed to assist the parties but to no avail and a period of 90 days or any extension thereof has expired and no collective agreement has been voluntarily concluded, the union or the employer may apply in writing to the Manitoba Labour Relations Board to settle the provisions of first collective agreement between the parties.

Upon receipt of the application, the Labour Board shall notify the other party, inquire into the negotiations between the parties and within 60 days after the application is made, notify either the parties in writing that in the opinion of the Board, the parties might through their own endeavour or with the assistance of a conciliation officer, conclude a first collective agreement within 30 days after the date of notification to the parties or, alternatively, the Manitoba Labour Relations Board shall settle the provision of a first collective agreement between the parties.

In settling the provision of a first collective agreement between the parties, the Manitoba Labour Relations Board shall accept any provision agreed upon in writing between the parties, and they may also take into account the terms and conditions of employment negotiated through collective bargaining for employees performing the same or similar functions in the same or similar circumstances as the employee in the unit, and such other matters the Board may consider fair and equitable in the circumstances.

Where an application for a first collective agreement is made during a strike or a lockout, the

strike or the lockout must immediately be terminated and the employee must return to work as soon as possible, either on the basis of the agreement respecting the reinstatement of the employees or on the basis of a seniority standing of the employees relative to each other.

The first collective agreement settled by the Manitoba Labour Relations Board is binding between the parties for a period of one year from the date in which the Board settled the agreement, except that the parties may subsequently agree to amend any of its provisions in writing. During the period of one year within which the collective agreement is settled by the Board and is binding between the parties, the Board will not accept any application for certification or decertification.

Every collective agreement shall contain a check-off clause requiring the employer to deduct the wages from its employee in the unit affected by the collective agreement and to remit such amount to the union monthly or regularly as provided in the collective agreement.

It shall also contain a provision for final settlement, without work stoppage by arbitration or otherwise, of all differences between union and management concerning the meaning, the application or the alleged violation, a provision requiring the employee in the unit bound by the collective agreement to act reasonably, fairly and in good faith in a manner consistent with the collective agreement.

Let us now inquire into the Manitoba experience. In the past there has been less effective remedy in the duty to bargain collectively in good faith. In the past, criminal prosecution, mandatory cease and desist order, direction to bargain in good faith, make whole remedy had all been employed. None of these remedies can provide employees with a collective agreement that they need the most.

In the first contract situation after certification, there is a need for a more effective remedy because time is of the essence. There is the psychological dimension toward the establishment of the employer-employee relationship in the reality of the context of employer intransigence, employer distrust of unions, employer breach of statutory duty to bargain, and the employer violation of the duty to make every reasonable effort to conclude a collective agreement.

The one and only effective remedy which is now adopted by five out of 10 provinces and by the federal Government of Canada itself is the first contract interest arbitration remedy, the most potent antidote to the lack of a collective agreement after certification of the union in the precarious initial year of collective bargaining for better terms and conditions of work beyond those required by our social legislation.

What happened in Manitoba when we introduced the collective agreement, final offer selection? From 1982 to 1985, there were 22 applications for first collective agreement. I shall deal only within this period where I have the information. I do not have the information later on. Of the 22 applications, one application was subsequently withdrawn. Another application was stayed subject to court proceedings on the issue of constitutionality of the first collective agreement legislation, leaving 20 applications for us to consider what happened to these 20 applications.

Before the 1985 amendment mandating the Manitoba Labour Relations Board to impose a first collective agreement by depriving the board of the discretion not to impose the first collective agreement, the Manitoba Labour Relations Board heard the first application filed before itself, but significantly, when it still enjoyed the discretion to refuse imposition, it declined to impose the first collective agreement. Out of the remaining 20 applications, six were voluntarily settled by the parties. Out of the six voluntarily settled collective agreements, five led to subsequent collective agreement, but one resulted in the certification of the union which was ultimately revoked.

* (1600)

Of the remaining 11 applications in which the Manitoba Labour Relations Board settled and imposed a first collective agreement upon the parties, only two definitely led to subsequent collective agreement voluntarily reached by the parties. Of the remaining nine applications settled and imposed by the board, three resulted in the revocation of the certification of the union involved.

Of the remaining six imposed collective agreements during the first contract situations, the first five collective agreements are still in effect in 1986 except that in one case, in the case of the United Brotherhood of Carpenters & Joiners of America, Local 343, with the Alpine Roofing and Building Contractors Ltd., as the employer there

were no employees that were retained as employed under the company name, and consequently the parties did not negotiate any second collective agreement.

Of the five cases where the first collective agreement was still in effect in 1986, in the sense that the initially imposed one-year term of contract had not yet expired, in one of them, the parties amended in writing the imposed first collective agreement. In that same case, the case of the Manitoba Food and Commercial Workers, Local 832, with T. Eaton Company Ltd. in Brandon as the employer, the employer applied to the Manitoba Labour Relations Board for a review and reconsideration of the first collective agreement that was imposed but the board refused and declined to do so. In the two other cases the employer also tried to have the board review and reconsider the first collective agreement that was imposed, but the board declined as well.

In a nutshell, as to the 11 Manitoba Labour Board imposed first collective agreements, of which five were still in effect in 1986, two revocations of certification have been granted, one revocation has been applied for, two have been renewed, and one is still being negotiated in 1986 for possible renewal.

What can we say about all of this limited experience in Manitoba? It used to be that in Manitoba, as elsewhere, despite the fact that the union has been certified by the Labour Relations Board to become the exclusive bargaining agent of the employees for the purpose of collective bargaining, the certified union still is not able to conclude a first collective agreement voluntarily between them and the employer.

The precious union right to exclusively represent the employees, a right that is won in the certification struggle, may still be lost at the bargaining table through a failure, for whatever reason, to conclude a first collective agreement.

This generally recognized difficulty on the part of an initially certified union to obtain a first collective agreement led to a sharp change in public policy, whereby this assembly, the Manitoba Legislative Assembly, granted the Manitoba Labour Relations Board the authority to settle a union-management impasse by the imposition of an arbitrated first collective contract.

When the legislation for first contract arbitration was first adopted in 1982, there was discretion on

the part of the Minister of Labour, upon the written request of either of the parties and after such investigation as the Minister may deem advisable, to direct the Manitoba Labour Relations Board to inquire into the matter of negotiations between the parties, and if the board considers it advisable, to settle the terms and conditions of the first collective agreement between the parties.

Following the 1985 amendment the board may either impose the first collective agreement initially or it may prefer that this be left to the parties for 30 days, and if no voluntary agreement is reached, the board shall impose the provision of a first collective agreement which shall be effective for a period of one year from the date the board settles that provision of that collective agreement.

There is thus, a policy expectation that the general availability of the arbitrated collective contract will readily motivate and encourage the parties to settle their disputes with a pious hope that the ordinary remedy will indeed be rarely used. To date, this policy expectation of rare and limited use has not yet been borne out by experience.

If we look at the absolute number of applications, for the first collective agreement for the four-year period from 1982 to 1985 there were 20 actual applications made to the Manitoba Labour Relations Board and ignoring the one application that was withdrawn and the other application that was stayed, during the same period there were 204 certifications that were issued to unions in Manitoba as exclusive bargaining agents for employees for the purpose of collective bargaining.

We have already indicated that out of the 20 applications for arbitrated first collective agreement, 11 were imposed by the Manitoba Labour Relations Board. This means that the applications for arbitrated first collective agreement constitute approximately 9.8 percent of the total number of certifications issued to unions in Manitoba from 1982 to 1985. However, the imposed arbitrated first collective agreements are only 5.4 percent of the total number of certifications issued in Manitoba during the same period of time.

During the same four-year period, from 1982 to 1985, we have alluded to the fact that the Manitoba Labour Relations Board have settled and imposed 11 arbitrated first collective agreements, whereas the parties have voluntarily settled by themselves six of such collective agreements.

What can we say about this experience? Very little. In 1986, out of 11 collective agreements imposed by the Manitoba Labour Relations Board, five are still subsisting in the sense that the first year's contract has not yet expired. Of the six collective agreements, two resulted in the revocation of the certification of the union.

There was one case where revocation was applied for and two renewals. One collective agreement is in the process for a possible renewal. These small absolute numbers are too few to have any meaningful inferences given to us. Looking at the raw data themselves, all that we can say is that it is equally probable that a first collective agreement will either be renewed or not be renewed.

Given this Manitoba experience, although a very limited extent, where do we go from here? What recommendations can we offer? Certainly, not by way of repealing the final offer selection system which has given Manitoba an enduring peace of industrial relations co-extensive with the Government in the province by the Manitoba New Democratic Party. That regime of peaceful industrial relations is at an end because we have been putting an end to final offer selection, the only hope for peaceful, strike-free industrial relations systems in the Province of Manitoba.

Thank you, Mr. Speaker.

Mr. Speaker: As previously agreed, this matter will remain standing in the name of the Honourable Member for Point Douglas (Mr. Hickes).

Hon. Clayton Manness (Government House Leader): Mr. Speaker, would you call Bills 15, 16 and 17 in that order.

BILL 15—THE RE-ENACTED STATUTES OF MANITOBA (PRIVATE ACTS) ACT, 1990

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990; Loi de 1990 sur la réadoption de lois du Manitoba (lois d'intérêt privé), standing in the name of the Honourable Member for Flin Flon (Mr. Storie). Stand? Is there leave that this matter remain standing? No leave? Is the House ready for the question?

The question before the House is second reading of Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990; Loi de 1990 sur la

réadoption de lois du Manitoba (lois d'intérêt privé).
Is it the pleasure of the House to adopt the motion?
Agreed and so ordered.

**BILL 16—THE RE-ENACTED STATUTES
OF MANITOBA
(PUBLIC GENERAL ACTS) ACT, 1990**

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill 16, The Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990; Loi de 1990 sur la réadoption de lois du Manitoba (Lois générales d'intérêt public), standing in the name of the Honourable Member for Point Douglas (Mr. Hickes). Stand? Is there leave that this matter remain standing? No?

* (1610)

The question before the House is second reading of Bill 16, The Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990; Loi de 1990 sur la réadoption de lois du Manitoba (Lois générales d'intérêt public). Is it the pleasure of the House to adopt the motion? Agreed? Agreed and so ordered.

**BILL 17—THE PRIVATE ACTS
REPEAL ACT**

Mr. Speaker: On the proposed motion of the Honourable Minister of Justice (Mr. McCrae), Bill 17, The Private Acts Repeal Act; Loi sur l'abrogation de lois d'intérêt privé, standing in the name of the Honourable Member for Point Douglas (Mr. Hickes). Stand? No. Is there leave that this matter remain standing? No.

Question. The House ready for the question. The question for the House, the second reading that Bill 17, The Private Acts Repeal Act; Loi sur l'abrogation de lois d'intérêt privé. Is it the pleasure of the House to adopt the motion?

Some Honourable Members: Agreed

Mr. Speaker: Agreed and so ordered.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider and report of the Bills referred, namely 15, 16, 17.

Motion agreed to, and the House resolved itself into a Committee of the Whole to consider and report of the Bills referred, namely 15, 16, 17, with the

Honourable Member for St. Norbert (Mr. Laurendeau) in the Chair.

COMMITTEE OF THE WHOLE

**BILL 15—THE RE-ENACTED STATUTES
OF MANITOBA (PRIVATE ACTS)
ACT, 1990**

Mr. Deputy Chairman (Marcel Laurendeau): Committee will come to order to consider Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990 (Loi de 1990 sur la réadoption de lois du Manitoba (lois d'intérêt privé)).

Hon. Clayton Manness (Government House Leader): Mr. Deputy Chairman, I stand at this time just to thank the Members for their support for the speed with which they have provided an opportunity to move this legislation through. I believe we are very quickly coming to the last day in which under the Supreme Court ruling, we have to have in place certain of our statutes.

The Minister of Justice (Mr. McCrae) has given his indication in second reading of the Bills of the urgency and I thank the Members for accommodating the Government in this respect.

Mr. Paul Edwards (St. James): Mr. Deputy Chairman, we, in the Liberal Party, are pleased also to support the speedy passage of these Bills today and we understand the need to comply with the Supreme Court of Canada decision. I say that with only one caveat and that is as has been discussed, we have some concern with one of the private Acts attached to Schedule A of Bill 15, and that is the United Church of Canada Act. There is some concern about the translation of one or two sections in that Bill and we look forward as we have discussed with the Minister of Finance an amendment to that Act in this Session and we hope that that can be achieved as soon as possible because it has been expressed to us by the church that it is a matter of some importance to them, so we look forward to that amendment coming up in the near future and we are pleased on that basis to support speedy passage of these Bills.

Mr. Deputy Chairman: We shall proceed to consider Bill 15 clause by clause. Shall Clause 1 be passed?

Mr. Manness: If there is a disposition of the Members to consider the Bills, Bill by Bill, can that

be done? Do we have to necessarily call clause by clause?

Mr. Deputy Chairman: I would like to remind the committee that we proceed clause by clause. May I suggest to the committee that there are only 13 clauses in this Bill, and we proceed either clause by clause? -(interjection)-

Clause 1—pass; Clause 2—pass; Sub-clause 1 of Clause 3—pass; Sub-clause 2 of Clause 3—pass; Clause 4—pass; Clause 5—pass; Clause 6—pass; Sub-clause 2 of Clause 6—pass; Clause 7—pass; Clause 8—pass; Sub-clause 2 of Clause 8—pass; Clause 9—pass; Sub-clause 2 of Clause 9—pass; Sub-clause 10—pass; Clause 10—pass; Clause 11—pass; Sub-clause 2 of Clause 11—pass; Clause 12—pass; Clause 13—pass.

Schedule A—pass; Schedule B—pass; Preamble—pass; Title—pass.

Is it the will of the committee that I report the Bill. Agreed.

BILL 16—THE RE-ENACTED STATUTES OF MANITOBA (PUBLIC GENERAL ACTS) ACT, 1990

Mr. Deputy Chairman: The Committee of the Whole will come to order to consider Bill 16, The Re-Enacted Statutes of Manitoba (Public General Acts) Act, 1990. Does the Honourable Minister of Justice (Mr. McCrae) have an opening statement?

An Honourable Member: No

Mr. Deputy Chairman: Does the Opposition Critic?

Some Honourable Members: Pass, pass.

Mr. Deputy Chairman: We shall now proceed to consider Bill 16 clause by clause. Clause 1—pass; Clause 2—pass; Sub-clause 1 of Clause 3—pass; Clause 4—pass; Clause 5—pass; Clause 6—pass; Sub-clause 1 of Clause 6—pass; Clause 7—pass; Clause 8—pass; Clause 9—pass; Clause 10—pass; Clause 11—pass; Clause 12—pass; Clause 13—pass.

Schedule A—pass; Schedule B—pass; Schedule C—pass; Preamble—pass; Title—pass.

* (1620)

Is it the will of the committee that I report the Bill? Agreed.

BILL 17—THE PRIVATE ACTS REPEAL ACT

Mr. Deputy Chairman: We shall proceed to consider Bill 17, clause by clause. Clause 1—pass; Clause 2—pass; Clause 3—pass; Schedule—pass; Preamble—pass; Title—pass.

Is it the will of the committee that I report the Bill? Agreed.

Committee rise. Call in the Speaker.

IN SESSION COMMITTEE REPORT

Mr. Marcel Laurendeau (Deputy Chairman of Committees): Mr. Speaker, the Committee of the Whole has considered Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990, Bill 16, The Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990 and Bill 17, The Private Acts Repeal Act, and has directed me to report the same without amendments.

I move, seconded by the Honourable Member for Turtle Mountain (Mr. Rose), that the report of the Committee of the Whole be received.

Motion agreed to.

Hon. Clayton Manness (Government House Leader): Mr. Speaker, with leave of the House, I would ask that we reintroduce Bills 15, 16 and 17 for third reading.

Mr. Speaker: Is there leave to reintroduce Bills No. 15, 16 and 17 for third reading? Leave? Agreed? Agreed.

Mr. Manness: Mr. Speaker, I inadvertently forgot concurrence motions.

REPORT STAGE

BILL 15—THE RE-ENACTED STATUTES OF MANITOBA (PRIVATE ACTS) ACT, 1990

Hon. Clayton Manness (Government House Leader): I move, seconded by the Minister of Natural Resources (Mr. Enns) that Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990; (Loi de 1990 sur la réadoption de lois du Manitoba (lois d'intérêt privé)), as reported from the Committee of the Whole, be concurred in.

Motion agreed to.

**BILL 16—THE RE-ENACTED STATUTES
OF MANITOBA
(PUBLIC GENERAL ACTS) ACT, 1990**

Hon. Clayton Manness (Government House Leader): I move, seconded by the Minister of Highways and Transportation (Mr. Driedger) that Bill 16, The Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990; (Loi de 1990 sur la réadoption de lois du Manitoba (lois générales d'intérêt public)), reported from the Committee of the Whole, be concurred in.

Motion agreed to.

**BILL 17—THE PRIVATE ACTS
REPEAL ACT**

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Energy (Mr. Neufeld) that Bill 17, The Private Acts Repeal Act; (Loi sur l'abrogation de lois d'intérêt privé), reported from the Committee of the Whole, be concurred in.

Motion agreed to.

THIRD READINGS

**BILL 15—THE RE-ENACTED STATUTES
OF MANITOBA
(PRIVATE ACTS) ACT, 1990**

Hon. Clayton Manness (Government House Leader): Mr. Speaker, with leave of the House, I would move, seconded by the Minister of Education (Mr. Derkach) that Bill 15, The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990, (Loi de 1990 sur la réadoption de lois du Manitoba (Lois d'intérêt privé)), be now read a third time and passed.

Motion agreed to.

**BILL 16—THE RE-ENACTED STATUTES
OF MANITOBA
(PUBLIC GENERAL ACTS) ACT, 1990**

Hon. Clayton Manness (Government House Leader): Mr. Speaker, with leave of the House, I move, seconded by the Minister of Family Services (Mr. Gilleshammer), that Bill 16, Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990, (Loi de 1990 sur la réadoption de lois du Manitoba (Lois générales d'intérêt public)), be now read a third time and passed.

Motion agreed to.

**BILL 17—THE PRIVATE ACTS
REPEAL ACT**

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Environment (Mr. Cummings), that Bill 17, The Private Acts Repeal Act, (Loi sur l'abrogation de lois d'intérêt privé), be now read a third time and passed.

Motion agreed to.

House Business

Mr. Manness: Mr. Speaker, on House Business it is my intention that—I believe the Lieutenant-Governor will be joining us at approximately 5:50 to provide Royal Assent to the three Bills—5:50, ten to six.

Mr. Speaker, what I then will be planning to do is to now call the Supply motion to go into Committees of Supply and ask the chairmen of those committees to have their committees rise at a quarter to six.

That being the case, Mr. Speaker, I would move, seconded by the Minister of Environment (Mr. Cummings), 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.

Motion agreed to, and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for St. Norbert (Mr. Laurendeau) in the Chair for the Department of Industry, Trade and Tourism and the Honourable Member for Seine River (Mrs. Dacquay) in the Chair for the Department of Education and Training.

CONCURRENT COMMITTEES OF SUPPLY

**SUPPLY—INDUSTRY, TRADE AND
TOURISM**

Mr. Deputy Chairman (Marcel Laurendeau): Will the Committee of Supply please come to order. Today this section of the Committee of Supply meeting in Room 255 will be considering the Estimates of the Department of Industry, Trade and Tourism.

Does the Honourable Minister of Industry, Trade and Tourism (Mr. Ernst) have an opening statement?

Hon. Jim Ernst (Minister of Industry, Trade and Tourism): Mr. Deputy Chairman, it is my pleasure at this time to present to committee the 1990-91 fiscal year spending Estimates for the Department of Industry, Trade and Tourism.

As Members are no doubt aware, the Canadian—indeed the North American economy is softening and that poses some serious challenges calling for meaningful dialogue and consultation amongst all economic participants in the months ahead. However, as indicated by most credible financial and economic analysts, such as the Royal Bank of Canada, Manitoba's economy is expected to fare significantly better than other jurisdictions in weathering the storm.

I am pleased to tell Members of the committee that the Department of Industry, Trade and Tourism is maintaining an atmosphere conducive to investment and economic growth in Manitoba.

Since coming into office, this Government has worked to bring about greater departmental efficiencies in order to put the limited resources available to the best possible use. My department has shown a tremendous creativity in that regard and has worked well within the resources available. Industry, Trade and Tourism personnel are efficiently delivering on committed initiatives. We are monitoring program effectiveness and finalizing federal-provincial development agreements. As a result, Manitoba's investment climate has changed very much for the better, and we believe it will continue to improve.

* (1630)

Of particular importance to my department is the continued promotion of Manitoba's interprovincial and international export trade, as well as the pursuit of new investment, and we feel our initiatives are bearing fruit. Indeed, we are finding that Manitoba industrial interests sparked by the opportunities possible under the Canada-U.S. Free Trade Agreement are benefitting from departmental initiatives in support of that Free Trade Agreement. Our trade missions to the U.S. are finding increased and enthusiastic private sector participation. Our export development training seminars are well attended and growing in popularity. Our agent for Manitoba in Hong Kong continues to increase Pacific Rim investment interests in Manitoba.

Most recently we have undertaken to retain the services of a British based consultant to identify

British and continental business and industrial concerns that have an interest in expanded involvement in North American trade and to serve as a liaison between such firms, my departments and Manitoba industrialists. Domestically our office in the nation's capital is active in the promotion of Manitoba goods and services to federal procurement agencies in order to maximize Manitoba's participation in federal Supply and Service contracts and in interprovincial trade.

The Vision Capital Fund with strong private sector support was beginning its mandate to dispense loan funding for the creation, expansion and modernization of Manitoba business.

Our Business Start Program with a special emphasis on women and rural entrepreneurs has begun to exercise its mandate in support of new, small and innovative business efforts in Manitoba.

Our commitment to science and technology in Manitoba remains strong, even with the expiry of the Canada-Manitoba Economic Development Planning Agreement and a fulfillment of commitments to the University of Manitoba under the Strategic Research Support Program. Most recently it was announced that the Manitoba Research Council was to be reconstituted as the Manitoba Innovations Council, and will benefit from revenues generated from the divestiture of Manitoba Data Services.

In other words we are directing available assets and talents to the growth, development and success of technological innovation in this province.

Our Industrial Technology Branch remains committed to industry and support of the Centres of Excellence Fund. We continue with the Manitoba Industrial Opportunities Program, the Technology Commercialization Program and the Manufacturing Adaptation Program in support of the manufacturing, processing, research and commercial development of technology related ideas in Manitoba.

We continue our commitment to the Aging and Rehabilitation Product Development Centre through our Health Industry Development Initiative. The provincial commitment to fund certain aspects of the Health Industry Development Initiative with the federal Government funding others is still intact, but because of an overly optimistic expectation of program take-up, funding will be disbursed now over a longer time frame than originally anticipated.

Our tourism division continues to play a critical role in Manitoba's economic well-being working with the private sector in the planning, development and preservation of facilities, events and attractions to serve the needs of a rapidly growing industry in Manitoba.

Mr. Deputy Chairman, I am confident in Manitoba's future economic growth, development and prosperity. Our attractive sectoral diversification highlighted by a strong performance in aerospace information technology and the health industries is helping to sell Manitoba to new investors. The actions of the Government and of my department as lead agent for economic growth are helping to reduce impediments to new investment and the creation of new quality jobs and new prosperity.

We have realigned financial programs, addressed Government priorities and are working within the realities of available resources. Ours is a prudent and responsible course of action, and it will pay dividends for all Manitobans in the years to come.

Thank you very much.

Mr. Deputy Chairman: We thank the Honourable Minister of Industry, Trade and Tourism for his comments. Does the critic for the official Opposition Party, the Honourable Member for Flin Flon, have any opening comments?

Mr. Jerry Storle (Flin Flon): Mr. Chairperson, yes, a few comments. I understand, I guess the Minister's optimism, particularly with respect to the Free Trade Agreement. I wish I could share his optimism. I think his optimism is borne of the fact that he and the Conservative Government have been rather blind supporters of the agreement and seem to be quite immune to the reality of the Free Trade Agreement and its impact on Manitoba.

I think the Minister quite rightly noted that Manitoba historically has weathered recessions and slowdowns in our economy better than other provinces as a result of our diversity, our diversified economic base. Right now, however, I have to say that many sectors of our economy are in serious trouble and in no small measure in trouble because of the Free Trade Agreement. I refer particularly to the trade sector, the agricultural sector to some extent, but perhaps most notably with respect to the manufacturing sector.

The Minister and I have been over the numbers, I think the rather startling numbers, when it comes

to the decline in our manufacturing base. We need only to point to the number of business closures and the movement of well established important manufacturing industries from the Province of Manitoba to other parts of the country and to other parts of North America.

* (1640)

I guess my greatest fear and the fear that we have in the New Democratic Party is that our ability to weather such economic slowdowns as we are experiencing right now are going to be seriously impaired by our changing economic base, by the fact that we are losing our manufacturing sector, that the Free Trade Agreement is going to continue to erode our retail and wholesale trade sectors and that the long term will be that Manitoba will be like other have-not provinces in the country, most notably some of our eastern brethren, that we will be on a roller coaster every time there is a change in the economic fortunes of our nation.

I do not see anything in the statistics that we have on our trade with the United States and the statistics that the Minister has available to him, the September 1990 statistics that show we are losing in virtually every sector, 1988 over 1989. I think those facts are indisputable, and I think they reflect a very serious structural change in our economy.

I guess I could be somewhat heartened by the Minister's optimism if I saw anything in the Estimates and in the budgeting in this department which told me that the Government had a plan, had some strategic plan to deal with what I think is a growing crisis. Instead, what I see is the loss of some important economic development tools, our ERDA agreements for example, which the Minister, the Government does not seem anxious to replace, and areas like tourism, which are going to be negatively affected by the discontinuation of the Canada-Manitoba Tourism Agreement, which appear to be getting fewer resources from the Government of the Day. Other areas within the department that were traditionally used to support regional development, their functions having disappeared entirely.

It is interesting that when you look over the summary of the appropriations of this ministry, there is no reference to regional development, no reference to the importance of Government initiative in the less fortunate, the less well developed regions of our province.

When this Government in its wisdom rolled in the Department of Business Development and Tourism into the Department of Industry, Trade and Technology, we seem to have lost the small business focus of the previous department, which I think was important. Unfortunately, this Government is all too prone to pay lip service to the importance of small business, but when you see the initiatives of the Government, as few as they are, they are not the kinds of initiatives that I believe are going to promote and create economic growth in our small business sector to any extent at all.

I have already said that I think that on the major industrial questions we have written off our own sovereignty by entering into the Free Trade Agreement. The Minister and the Government continue to sing the virtues of free trade I think without really understanding or perhaps appreciating its negative consequences for us.

I do not intend to spend a lot of time on some of the administrative functions of the department. I think for us most of the Estimates are going to be spent debating the policy of the Government, the direction that it is taking and its seeming reluctance to come forward with a strategic plan for the province, its willingness to let the initiatives and the directions established by others—free trade, deregulation, federal fiscal policy—take the province wherever it happens to go.

I do not think it is good enough, and I guess we will be trying to establish as we review these Estimates whether my impression of where this department is at currently is an accurate one. Those are my opening remarks.

Mr. Deputy Chairman: We thank the Member for Flin Flon for those comments. Does the critic for the Second Opposition Party, the Honourable Member for St. Boniface, have an opening comment?

Mr. Nell Gaudry (St. Boniface): Mr. Deputy Chairman, it gives me great pleasure to be part of this committee on the Estimates of Industry, Trade and Tourism. I will be very brief. I think my colleague from the official Opposition has addressed the concerns.

A great concern to all Manitobans I think and a critical situation for the economy of this province is the closure of several businesses in the last couple of years that the Tory Government has been in power. The bankruptcy rate increase in the last

couple of years and in the last six months here in Manitoba also is of great concern.

Free trade has been addressed as before. I do not think our stand has changed in the Liberal Party in regard to free trade and what it has done to the economy of Manitoba and I think will continue to do with several businesses in the garment industry and the wholesale industry.

Therefore, in going through the Estimates we will certainly be questioning and have questions in regard to policy and strategies that the Government has in place to help Manitobans who have been left without jobs in these closures. We have different age groups, and we look at the young people of Manitoba, for example, who have left this province who are without employment today. These things have to be addressed and I hope with the optimism of the Minister that a lot of these situations will be addressed and will be explained in the policies and strategies throughout their questioning in the Estimates.

In conclusion, I would like to say thank you for giving me a chance to be a part of this committee. We will look forward to questioning and responses from the Minister.

Mr. Deputy Chairman: We thank the Honourable Member for those remarks. Would the Honourable Member for Crescentwood have some remarks?

Mr. James Carr (Crescentwood): Mr. Deputy Chairman, I am looking forward to this debate for many reasons, not the least of which is when we debate tourism and the tourist potential of Manitoba we can be optimistic and positive about our province. Members of the Opposition are most often accused of being harbingers of doom and gloom and of focusing on the negative. Well, the Tourism portfolio gives us a chance to talk about positive developments in Manitoba and how we are able to communicate what is special, unique and exciting about our province to citizens of Canada, the United States and indeed the world. I look forward to exchanging ideas with the Minister in as positive a way as we can muster as a responsible Opposition.

I was surprised to learn shortly after being given the responsibility of Tourism Critic for our Party that tourism is the No. 1 industry in the world. I found that to be a revelation, and it leads to a host of questions and observations of how the Government of Manitoba is growing and developing as a part of the largest industry globally.

* (1650)

I see just through a scanning of the Estimates that the commitment of the department actually has been reduced this year over years past in real terms. Not even factoring in the erosion through inflation, the actual number of dollars that is being devoted to tourism marketing and the tourism industry is less this year than last. The Minister in his opening remarks talks about a growing industry. The Government's commitment is not growing. The Government's commitment is decreasing. We will want to ask the Minister why that is so and what implications that has on an industry that should be more important than it is to Manitoba.

There will be many specific questions and I will tip the Minister off right now as to what they will be. We will want to question him closely on the implications of the Canada-Manitoba Tourism Agreement that has expired and what the provincial commitment will be in the wake of that loss of funds for the industry in Manitoba. We will want to know what the Government plans to do at The Forks with the tourist centre. We will want to know what plans the Government has to package cultural activity, sporting activity in a radius of let us say 500 miles around the City of Winnipeg. We are particularly interested in the marketing and packaging of rural tourist attractions.

We tend, particularly in this building, to get preoccupied with what goes on in the City of Winnipeg and too often neglect or forget or give short shrift to the wonderful tourism attractions that are outside of the city. We will want to explore with the Minister ways in which we can better develop that potential. We will want to talk about a liaison with Tourism Winnipeg to make sure that there is not a duplication, but rather that the efforts of the City of Winnipeg and the Province of Manitoba are complementary rather than competitive and to generally look at where the industry is going over the next number of years, paying attention not only to the Estimates here, but what kind of strategy the Government intends to implement during its entire mandate.

We hope that the debate will be positive and that at the end of it the Opposition and the Government will try to find ways of working together in order to take this wonderful province to the world.

With those few remarks, Mr. Deputy Chairman, thanks for the opportunity of addressing the committee.

Mr. Deputy Chairman: We thank the Honourable Member for those remarks.

Under Manitoba practice, debate of the Minister's salary is traditionally the last item considered for the Estimates of the department. Accordingly, we shall defer consideration of this item and now proceed with the consideration of the next line. At this time we invite the Minister's staff to join us at the table, and we ask that the Minister introduce his staff members present.

Mr. Ernst: First, let me introduce my Deputy Minister, Mr. Hugh Eliasson—I think probably perhaps only the Member for Interlake (Mr. Cliff Evans) might not know him—and Mrs. Valerie Zinger, who is the director of administration for the department, is also present here today. We also have additional staff here whom we will call upon from time to time as required, and I will introduce them at the time that they arrive.

Mr. Deputy Chairman: That will be all right.

Item 1.(b) Executive Support: 1.(b)(1) Salaries \$323,700—pass; 1.(b)(2) Other Expenditures \$76,400—pass.

Item 1.(c) Strategic Planning: 1.(c)(1) Salaries, \$411,400—shall the item pass?

Mr. Storie: Mr. Deputy Chairman, there is a considerable reduction in Strategic Planning. I am wondering if the Minister could first outline what that reduction actually means, which positions have been eliminated, the responsibilities in those positions?

Mr. Ernst: No positions have been eliminated. The Salary line, if the Member for Flin Flon will note, is virtually the same or slightly increased this year over last, a normal type of increase. The Other Expenditure item relates to outside studies. From time to time those will fluctuate. In this case, 1990-91, it is of a lower amount than occurred during the previous year.

Mr. Storie: Yes, I notice now that the reduction is in the Other Expenditures. So there have been no changes in Salaries, no reductions in staff, I should say, in the Strategic Planning area.

Unless my colleague has any questions we can—

Mr. Deputy Chairman: Shall the item pass—pass; 1.(c)(2) Other Expenditures, \$391,600—shall the item pass?

Mr. Storie: This is the area where there has been some reduction and I am wondering whether first of all the Minister can indicate whether the department has prepared any strategic plans that it has made public or is prepared to make public at this point, or are these all simply departmental internal documents?

Mr. Ernst: They are all departmental internal documents at the present time.

Mr. Storie: At the present time, does that mean that there are some documents being prepared for perhaps public consultation, discussion papers, that kind of usage?

Mr. Ernst: Time will tell. I do not wish to be flippant, Mr. Deputy Chairman, but we have some—

Mr. Storie: I think maybe we have something. This will be another strategic plan like in Education.

Mr. Ernst: Mr. Deputy Chairman, we are considering certain strategic planning options for the department and at such time as they are formalized, then they will be made public.

Mr. Storie: Mr. Deputy Chairperson, in the detailed Estimates it says that part of the activities in the department are to develop business intelligence systems employing environmental scanning to monitor economic circumstances. Assuming that part of the environmental scanning includes studying the repercussions or potential repercussions of the Free Trade Agreement, I am wondering if the Minister can tell whether the department has prepared a strategic document on the first year and a half of free trade, the first almost two years of free trade?

Mr. Ernst: Mr. Deputy Chairman, with respect to the Free Trade Agreement—and I suspect we are going to be talking a lot about that over the next period of time—we have not said we will step back and forget about it for a year and a half and then analyze it after. We are analyzing it virtually monthly as it goes along. We are monitoring each industry sector. We have done significant discussion analyses and so on of occurrences that have happened over the past almost two years now since the Free Trade Agreement was implemented. So in the sense that we are standing back and saying, yes, we have ignored it for that period of time, we have not done that. We have monitored it very closely.

Mr. Storie: Well, Mr. Deputy Chairperson, the monitoring that goes on with this Government is always suspect. The Minister of Consumer and Corporate Affairs tells us he monitors gas prices. In my opinion monitoring means more than just sitting back in your armchair and watching events unfold. My question is: Can the Minister table for this committee any documents which would lead us to have some confidence in his prediction that the Free Trade Agreement is going to be good for the province? The only evidence we have seen is to the contrary.

Mr. Ernst: Mr. Deputy Chairman, I think it was the Minister of Industry, Science and Technology, Canada in the House of Commons who said, as far as the NDP were concerned every sparrow that fell was as a result of the Free Trade Agreement. That has not been the indication based on occurrences over the past year and a half, and like my honourable friend from Flin Flon who would like to emphasize in every business quarter, every loss in the province over the past year and a half as a result of the Free Trade Agreement, such is not the fact. If you discuss, if you look, if you talk to the people who are involved with those instances you will find that virtually every one of them has indicated they are not as a result of free trade.

* (1700)

Their own star now, the Premier of Ontario indicated today in the newspaper that you cannot build a wall around a province, you cannot build a wall around a country. This is a shrinking globe. We are all faced with competitive pressures from around the globe. It is a world market now, and it has rapidly moved toward that over the past five or so years. Companies today will have to become globally competitive or they will not survive. We have approached it on the basis that—and quite frankly, the whole argument of the fact that because tariffs have dropped to 1 or 2 percent over the past few years on about 25 percent of the goods that we export has caused a major loss in terms of these businesses, I find very hard to believe, and I think most thinking people would also feel that way, notwithstanding the fact, Mr. Deputy Chairman, we had business closures of some significance prior to our coming in to Government, prior to the Free Trade Agreement.-(interjection)-

Well, Mr. Deputy Chairman, it is interesting, and I do not want to lay any fault at this point, but at the same time business losses occurred. Business

losses have occurred for a very long period of time and they will continue to occur.

There was a statistic released by the Canadian Manufacturers' Association not long ago that said that over half of the manufacturing businesses that were in business in 1970 were no longer in business in 1980, that there is a turnover virtually every ten years of about 50 percent in the manufacturing sector for a wide variety of reasons.

One of the most significant reasons today is the question of becoming globally competitive. We can no longer afford to have fringe operations, we can no longer afford to have operations that are not producing at least possible cost and the highest possible quality. We recognize that and are working with industry sectors here in Manitoba to ensure that they are competitive, that they do have excellent quality, and that they are able to compete in a world market.

Mr. Storie: The Minister puts on the record a lot of hypotheses about what the Free Trade Agreement will or will not do eventually, and whether it has or has not had an effect on business closures in the province.

I can only suggest that in virtually every case where a long-standing business in the province has closed in the last year, there has been a reference to free trade. In many cases the companies themselves said, yes, it was a factor. They have said there are other factors as well including in many cases aging equipment, aging plants and so forth which have not been kept up. Investment has not been made in them because in many cases they are branch plants.

(Mr. Eric Stefanson, Acting Chairman, in the Chair)

The fact is that it plays a part in the decline in particular of our manufacturing sector. The Minister and I have gone around the issue of furniture manufacturing which was supposedly going to be a winner as far as Manitoba was concerned, and I am not sure that it is turning out that way.

In fact, the Minister also referenced the president of the Canadian Manufacturers' Association. The Canadian Manufacturers' Association was on TV not too long ago saying, free trade is not working the way we thought it would. Many of the manufacturers who were initial supporters of the Free Trade Agreement are changing their minds about what the

impact of this agreement is going to be on the province and on the country.

We are not talking about building a wall. We believe we are going to be, to a greater and greater extent, trading internationally. The question is why tie ourselves to an agreement with a country, and more specifically, why tie ourselves to an agreement that has much broader implications than simply trade?

We were wearing down the wall and have been for 30 years. The tariffs between the two countries have dropped many percent in the last decade. There is no reason to believe why, through GATT and other bilateral vehicles, that wall could not have come down. The question is, is this particular agreement the way to bring it down when it ties in so many other things?

My question though to the Minister is, if all this monitoring is going on, why can the Government not share something with the people of Manitoba that will say, yes, we are monitoring it? Our predictions are coming true. Here are some areas where the province is not doing well. A little forthrightness on the part of the Government, with respect to free trade, might resolve some of the uncertainty that some people have in our community about the implications of the agreement.

Mr. Ernst: Well, Mr. Acting Chairperson, firstly, let me say that figures should speak louder than words. I can have written or write myself, for that matter, I suppose a glowing report that my honourable friend here would immediately disregard because it does not fit with his particular perspective over the question of that Free Trade Agreement.

The fact of the matter is, in 1989, we had an 84 percent increase in manufacturing investment in the Province of Manitoba. That is the highest record of any year that has ever been held in the Province of Manitoba, 84 percent.

In 1990, that is continuing, it is holding at the same level. So, that, Mr. Acting Chairman, people who are investing their money in manufacturing facilities in this province seem to not hold the same opinion as the Member for Flin Flon and, quite frankly, they are the ones who are doing it. They are the real people if you like.

First, as the Member indicated, 75 percent of our exports out of this province go tariff free to the United States, have for a number of years. Now, that leaves us with 25 percent of the exports that have some

form of tariff or other. Those have dropped in the area of average 1 percent to 2 percent over the past year and a half that their Free Trade Agreement has been in place.

The biggest single problem that has faced our manufacturers is the high value of the Canadian dollar and the high interest rate policy of the federal Government. One which we have condemned on a regular basis, and we have demanded that the federal Government change its monetary policy in terms of how it affects our exports. The fact of the matter is, if you had a fluctuation between 1988 and 1989 and the Canadian dollar of something like nine cents, very significant impact as opposed to a 1 or 2 percent drop in tariff.

So, Mr. Acting Chairman, it is the high Canadian dollar and the high interest rate policy which is kind of a double whammy to Canadian manufacturers that are causing the biggest significant increase. We are meeting regularly and we are having discussions right now, you people in a wide variety of industries across the province when we get to that appropriate section in the Estimates, the sectorial industry people who are in constant contact with the industry on a regular basis. We do not see significant problems associated with the Free Trade Agreement.

Mr. Storle: Mr. Acting Chairperson, I recognize that the Minister could table with this committee a document that would paint a glowing picture. I did not ask him to do that nor would I expect him to do that. I asked him, given that he indicated that the department was monitoring the impact of free trade that he could give us a realistic picture of what is happening in the Province of Manitoba.

Surely, the Minister is not suggesting to this committee that the impact of free trade has been uniformly positive. The fact of the matter is, that it has not. What we would like to know is: What information does the Government have? There are many who believe that the impact is much more negative than the Government seems to believe or want to believe. If the taxpayers are paying for the development of strategic plans, sectorial or otherwise, I see no reason why we cannot have access to that kind of information which, hopefully, will be well rounded and represent as good a representation of reality as we can get.

Mr. Ernst: Mr. Acting Chairman, at the appropriate time, as I indicated previously to the Member for Flin

Flon, strategic planning documents that the department has will be brought forward, will be tabled in the Legislature, at least in some form or other for public consumption, including the Members of the Opposition. The information that is provided by the Department from time to time is privileged to the Department.

The Member knows that, he was a Minister for many years himself. When they are available for release, they will be released.

Mr. Storle: I have one other question. Who is S.L. Bond, and how much of a contract do they have with the department. What was the contract for and how much of the \$268,000 that remains is going to S.L. Bond in the current fiscal year?

Mr. Ernst: Dr. Bond is a renowned professor at the University of Manitoba. She contracted with the Government on an unsolicited contract basis. She came forward with a proposal, thought this was a good idea to do an analysis of the values Manitobans bring to the workplace, and on that basis brought forward this proposal. The Government accepted the proposal.

I think the contract was \$205,800.00. I believe it is all there. We have approximately \$25,000 left.

Mr. Storle: That has piqued my interest. What were the terms of reference for this unsolicited study? Can the Minister share with us a copy of the terms of reference for the study?

Mr. Ernst: I believe so. I do not have them with me, but I am sure we could probably dig those up for you.

Mr. Storle: Could the Minister give us an overview of what this study of what workers bring to—

* (1710)

Mr. Ernst: Mr. Acting Chairman, the study was to examine the values and priorities which different groups in society have within the working world. An analysis of how they view the workplace, what they think the workplace should be like, how they should relate to the workplace. Too often we tend to assume what is best for others is something that is beyond our opportunity to address real needs, so Dr. Bond's proposal was and is a contribution to some research and development in the area of the workplace as it relates to Manitoba workers. We accepted her proposal.

Mr. Storle: So this study was a \$205,000 study which by anyone's calculation is a very expensive

study. Can the Minister indicate who this particular information is going to benefit?

Mr. Ernst: Similar studies in trying to analyze this kind of information have been done for the Manitoba Federation of Labour with, quite frankly the financial support of the Government. Governments have in the past, paid for these kinds of studies. It is a similar study, but it is much more broadly based. It was intended to go right across the whole spectrum of the working community to determine what, I guess to test our assumptions about people and to learn more about what Manitobans really want and expect out of their workplace.

It is an expensive study, there are no two ways about that, but it has been an extremely broadly-based and in-depth study that was carried out. There were, I think, six researchers associated with that study, if I am not mistaken, from the University of Manitoba, and they have gone into it in some considerable depth. The report is not completed, and we do not have it yet.

In terms of the overall value of the report, I guess, ultimately we will see when we get the report whether it was totally worth the money. We thought in the initial stages it was. We expect to have a study that will be of considerable benefit to the Government overall.

Mr. Storie: Mr. Acting Chairman, this sounds to me like a boondoggle. The Minister is now saying that the province has spent \$205,000 on some rather airy-fairy study, that he is not sure who it is going to benefit and is now speculating that it may not be too valuable or useful in the final analysis.

Can the Minister indicate a little more succinctly who might benefit from this kind of information?

Mr. Ernst: Mr. Acting Chairman, let not the Member for Flin Flon (Mr. Storie) put words in my mouth about what his view is, what he thinks he heard or anything else. I indicated that this study is to be of considerable benefit to all factors or all departments in the Government, is a significant analysis of what Manitobans feel the workplace means to them, what it should represent, how it should be dealt with in terms of Governments relating to the workplace, and it is something that we look forward to.

Mr. Storie: Mr. Acting Chairperson, perhaps the Minister has undertaken to provide the terms of reference for this study, and perhaps Members of the committee would appreciate having a copy of that.

The Minister also indicated that it was almost done, that there remained an outstanding payment of some \$25,000 or a small portion of it. Can the Minister indicate whether he has an interim report of this study? We are now carrying the \$205,000 study over two fiscal years. Is it normal for the Government to enter into this kind of contract and have no results after a full year?

Mr. Ernst: Mr. Acting Chairman, we do not have yet an interim report. As I indicated to the Member for Flin Flon (Mr. Storie), I will provide him with the terms of reference to the study, hopefully tomorrow morning sometime, as soon as we can arrange it.

Mr. Storie: Mr. Acting Chairperson, the Minister indicated this was an unsolicited request to do research. I presume that this came with a research proposal. Can the Minister table with the committee the research proposal that was presented to Government?

Mr. Ernst: I believe so, I will certainly investigate, and I think that will be basically the terms of reference, the document that will be given to the Member tomorrow.

Mr. Storie: Mr. Acting Chairperson, did the Minister personally approve of this expenditure?

Mr. Ernst: Yes.

Mr. Storie: Mr. Acting Chairperson, the remainder of the budget in the Supplies and Services is some \$268,000.00. Can the Minister indicate how much of that is also being used or being spent on consultants' reports on various aspects of the department's mandate?

Mr. Ernst: Mr. Acting Chairman, about \$100,000 is available for strategic studies. Some of those are contracted out. Some are done in house and so on. It is about \$100,000, I guess.

Mr. Storie: Mr. Acting Chairperson, the \$268,000—how much of that has yet to be paid to S.L. Bond?

Mr. Ernst: I think I indicated about \$25,000.00.

Mr. Storie: Mr. Acting Chairperson, the \$100,000 that is being used additionally for consulting work, how many projects are we talking about? Can the Minister identify what those projects might be?

Mr. Ernst: Typically, Mr. Acting Chairman, we run about three, four, five, maybe, projects per year. An example of one that was completed was a background paper on telecommunications policy for use by the department in terms of negotiations for a

renewed ERDA Agreement relating to telecommunications. That study was paid for under this strategic planning appropriation.

Mr. Storie: Was that research project contracted out?

Mr. Ernst: Mr. Acting Chairman, it was contracted out.

Mr. Storie: So the four or five projects that are normally contracted out, they would be normally contracted out, these particular ones. Are those projects tendered or does the department seek out experts to conduct them?

Mr. Ernst: Mr. Acting Chairman, in most cases, requests for proposals are—you cannot really say tendered in the sense of tender—but requests for proposals for a variety of consultants are sought prior to selecting one for completing the project.

On occasion, if it requires specific expertise, we would be limited and not able to either call for proposals or, I suppose, seek other options with regard to work. Some of the work is quite technical, and there is only one consultant available or the best consultant, shall we say, from time to time, but by and large requests for proposals are sought.

* (1720)

The Acting Chairman (Mr. Stefanson): No further questions. Shall the item pass—pass;

1.(d) Finance and Administration: (1) Salaries \$675,200—pass; (2) Other Expenditures \$215,200—

Mr. Gaudry: In Salaries on item (d) Finance and Administration, there is an increase of some \$20,000.00. Is that an increase in staff or is it just a general increase of salaries?

Mr. Ernst: Mr. Acting Chairman, it is general increase increments. There is no increase in staff.

Mr. Carr: Mr. Acting Chairperson, I have a short question. It runs almost throughout the Estimates in this department, certainly, through the Estimates for Tourism and, certainly, in this case as well that Other Expenditures have been frozen literally from the previous year. Is that a policy that was applied throughout the department, that in the case of grants and other operating expenditures, the decision was taken to freeze them consistently throughout the department?

(Deputy Chairman in the Chair)

Mr. Ernst: I do not think that there was a—I think it was expected that expenditures in those areas, other expenditure areas, are estimates. You are never sure exactly how much you are going to spend in any one particular year. They vary from time to time because of different programs; different levels of expenditure occur over the course of each different year.

I think it was anticipated that we would try and contain our expenditures within the similar level as the year previous, particularly because of the lateness of the Estimates being tabled, the fact that there was a delay of some six or more months related to the Estimates that started off the year on the basis that expenditures would be in the same area as last year, contained within the same area as last year.

Mr. Deputy Chairman: Item 1.(d)(2) \$215,200—pass.

Mr. Ernst: With respect to (e) the Fitness Directorate, I would propose, Mr. Deputy Chairman, that we would delay consideration of the Fitness Estimates until Fitness and Sport are dealt with at the end, after Industry, Trade and Tourism is completed. I would then bring the staff from Fitness and Sport and we can consider the two of them together, if that is—

Mr. Deputy Chairman: Is there agreement with the committee to stand this down until the end? Agreed. We will move on then to (f) Grant Assistance \$543,800.00. Shall the item pass?

Mr. Storie: The only good thing I can say about this grant is that it has changed from Tourism, where I believe it showed up in the Estimates last year, under the Tourism Department, or something, to a separate location under Administration and Finance.

My first question to the Minister is: Why is there a special grant to the Faculty of Management of \$543,800 when the University Grants Commission and the normal process for funding faculties is in place? Why is this exception made in this department?

Mr. Ernst: Mr. Deputy Chairman, the dean of the Faculty of Management developed a proposal for a rejuvenation of the faculty, because he viewed it, and others outside viewed it as well, as not being competitive, shall we say, with other business schools across the country. The dean put together a proposal for a five-year plan associated with the

restructuring of the department and to be funded from several different sources. The funding was to come from the students who voted in a democratic process on whether they should increase their fees or not, because an increase in fees was required in order to generate additional revenue for the faculty. The Associates Programme, which is basically alumnae of the faculty who were approached, many of whom are captains of industry here in Manitoba and many of whom have contributed significant amounts of money, committed for a five-year period to the redevelopment of the faculty.

The University of Manitoba was to contribute from its general revenue sources additional monies in order to fund that faculty management plan. The final increment was an increase from the Government of Manitoba. By funnelling the money in this first instance through the Universities Grants Commission there was no guarantee to the specific Faculty of Management plan that all of these factors would come together.

It was determined that for the first five years of the plan, which includes the contributions of the associates, the private sector people, that money would be funded through our department so that it would not get lost in the shuffle, shall we say, with regard to running it through the Universities Grants Commission. The money would be directed directly to the faculty as opposed to its being thrown into the general university lump sum pot. There is a precedent for that. The Department of Agriculture has been doing that specifically for some years now, in terms of providing a specific grant to the Faculty of Agriculture, targeted at a specific thing.

Mr. Storie: Well, there are several things wrong with what the Minister did, not least of which is that the Minister obviously should have, is probably obligated too or should have felt obligated to review the faculty development plan in light of what is actually happening in other jurisdictions in faculties of management.

It is the opinion of many people, including a growing number of faculty themselves that the management plan is backward. It is taking the faculty backwards. It is eliminating sections of the faculty which are increasingly important in this new international economy that the Minister talks about. It is removing public policy courses and industrial relations courses, courses which are incidentally available in more progressive management schools in North America and around the world.

The Minister erred in allowing the introduction of a change in the curriculum at the faculty without it first having been vetted through the appropriate channels at the university itself. The Minister really in effect ended up bribing the Board of Governors by saying, yes, we are putting in the money and then having the Board of Governors look like it was turning down free money from the Government. It put the Board of Governors and other faculties in an extremely awkward position when the Minister knows that his Government is underfunding the universities generally. There are several things wrong with the plan.

Has the Minister seen the business schools' accreditation report that was commissioned by the dean?

* (1730)

Mr. Ernst: Mr. Deputy Chairman, first of all, let me say that my honourable friend, the Member for Flin Flon (Mr. Storie), the former Minister of Education, I do not think ever would like to see something deviate from the norm or that the Minister of Education would have all of the controls over everything that would occur. The socialist aspect or the socialist overview of these things is that we must have total control tightly held in the hands of a certain selected administrative group and that no money could ever come from, God forbid, somebody with some practical experience.

We have seen in the past—and I think I can quote the Premier (Mr. Filmon), who during his debate on the Speech from the Throne indicated that the socialist philosophy of, "well, it works in practice but does it work in theory" approach, Mr. Deputy Chairman, I think we are seeing it again from the Member for Flin Flon (Mr. Storie).

Here we have several millions of dollars being generated from captains of industry. We run around and we say we want to contact industry, we want to talk to them about what they need in terms of graduates from schools.

It does not matter what an academic thinks should graduate from the school. It matters what happens when the person goes out to get a job. Then you see what industry wants, what business wants, what they want in terms of graduates from those schools.

I think we should be listening more to that instead of some esoteric courses that perhaps some faculty members wish to pursue that have little or no application to business. We have people here who

are putting their own money to finance this particular program, and they are the people who are going to employ the graduates of this school. They are the ones who are telling the school that we need these kinds of graduates, we need expertise in these areas, we need training in these areas and we think we need people that come out of that school to have those abilities.

Mr. Deputy Chairman, I reject this growing interest. I know that the Member for Flin Flon may be a captive of some members of the faculty. I know there has been opposition to this program from the faculty at the University of Manitoba. There has been some opposition quite frankly from the student body as well, simply on the basis that the students of the Faculty of Management voted to increase their own tuition fees, something that no student generally—myself included when I was a student there—would want to see any student fees increase.

I think the students at the Faculty of Management voted overwhelmingly in favour of supporting an increase in their own tuition fees knowing that they themselves were unlikely to be the beneficiaries, that they would graduate before the full impact of the redevelopment scheme for the Faculty of Management would become a reality but knowing at the same time that it was necessary for the business school to compete in the modern world, to look at rejuvenating itself if you will, it was necessary to happen and they said, okay, we are prepared to go with it and voted that way themselves.

Mr. Storie: Mr. Chairperson, it would be an interesting counterargument if any of it were factual.

The fact is that the dean has gone forward and implemented a new faculty and he requested a business school, a group that does accreditation for business schools, to come and assess the new program which I assume was the program that the dean wanted in place. The accreditation group found the program wanting. They would not grant accreditation, which leaves serious questions about where the dean is actually taking the faculty.

I have no objection, nor does anyone else, to the private sector supporting university faculties by grant or in any other way directly. We are not talking about the captains of industry putting up money, we are talking about the people of Manitoba putting up money.

There are some serious problems at the Faculty of Management. There are some serious problems many believe with the direction that the faculty has been taking. There are some serious problems with comments made by the dean himself who has created some friction amongst faculty and students.

This Government has chosen to interfere, to be a party to something that is quite unhealthy. The Minister continues to defend this particular approach and wants to be a part, seemingly, of this old-boys network which I think is doing some serious damage to the university community itself.

Notwithstanding that, the question is, why this half a million dollar grant when there are so many other initiatives going begging, including support for our regional development corporations and support for other initiatives in other parts of the province that have a very much more direct bearing on the economy of the Province of Manitoba?

Mr. Ernst: Mr. Deputy Chairman, I suppose I should comment firstly—during his opening remarks the Member for Flin Flon (Mr. Storie) was chastising us for having removed support for regional development corporations from our budget. I might advise the Member it is under the Department of Rural Development for regional development corporations and where you will find funding for those programs. That staff was transferred to the Department of Rural Development when it was formed.

Mr. Deputy Chairman, with regard to the Faculty of Management, the fact of the matter is that from time to time, and quite frankly through a number of years of NDP administration when in fact the Member for Flin Flon (Mr. Storie) was the Minister of Education, the universities were significantly starved.

Their policies in many cases created a number of the problems, including the Faculty of Management, the Faculty of Dentistry, the Faculty of Engineering and one or two others whose names escape me at the moment where there were significant problems associated with them, where they were in fact in danger of losing their accreditation, where they in fact were underfunded sufficiently to a point where they could no longer maintain their accreditation over the rest of the country in terms of their ability to produce effective graduates.

From time to time other departments of Government have in fact addressed those

problems. In this particular case, the Faculty of Management, it seemed appropriate that the department responsible for economic development in this province saw a need for highly-skilled quality graduates from its business schools.

If we are going to graduate those people we need to have high quality graduates. The faculty decided that they needed a redevelopment plan, approached us and the rest of it I have outlined for the Minister. In fact, in the early 1980s the same thing was done with the Faculty of Engineering at the University of Manitoba. This is not something that is not without precedence.

At the same time, Mr. Deputy Chairman, the faculty approved it, the associates approved it, the Government approved it, the Department of Education supported it, the University of Manitoba administration approved it, the Senate approved it. Virtually every process that was required at the University of Manitoba all approved this particular plan. The university, of course, is responsible for carrying out that plan. A condition of the grant is that we monitor the plan on an annual basis, and that if in fact they deviate, if in fact it is off the mark shall we say, if there are in fact problems, then it is reviewed at the end of each academic year. I see no cause for any alarm from the Member for Flin Flon (Mr. Storie), apart from perhaps an ideological problem he might have.

Mr. Storie: Mr. Deputy Chairperson, I guess if the Minister is monitoring again yet another area, the Minister will have been aware that the accreditation that was sought by the Dean was denied. My question is, what would it take for this Minister to withdraw funding?

Mr. Ernst: As I indicated, an analysis is done at the end of each academic year to consider the Faculty of Management plan, whether they have complied with the plan, whether everyone else has complied with it in terms of their contributions towards the agreement, and Mr. Deputy Chairman, judgment is made at that time.

Mr. Storie: The Minister, when he announced this grant to the Faculty of Management, indicated in a press release that there were six additional staff hired because of this plan—six new staff hired because of the involvement and the implementation of this new plan.

Can the Minister indicate what those positions might be?

Mr. Ernst: I ask the Member for Flin Flon, six new staff in my department, or—

Mr. Storie: No, in the faculty.

Mr. Ernst: —the faculty, I employed six new staff. Mr. Deputy Chairman, I believe that there are seven new staff in the Faculty of Management. They have five visiting sessional teachers and they have a placement service for graduating students where they have hired a director as well, and I think they have one position, visiting scholars program—seven positions.

Mr. Storie: The Minister considers a job placement position in the Faculty of Management as part of fulfilling the economic mandate of the provincial Government.

Mr. Ernst: I think, Mr. Deputy Chairman, it is important because that person maintains a continuous liaison with industry and the people that would ultimately employ the graduates of this faculty. That person, in maintaining that liaison with those people, will bring to the faculty from time to time concerns of industry, directions that they think are necessary or desirable from their point of view.

These students as they graduate from this faculty will need some assistance in terms of their ultimate direction and their ultimate employment in the province, that is also important.

* (1740)

Mr. Storie: Mr. Chairperson, we are not going to spend much more time on this. I think the Minister knows that it is not just a few people, a few malcontents, who are raising questions about the Faculty of Management. The University of Manitoba Faculty Association, individual faculties within the university, the University of Manitoba Students Union, Canadian Association of University Teachers among others have been calling for the resignation of this particular dean.

It raises some very serious questions about this Government's involvement—and blind involvement—in this development plan, done quite obviously without any serious consideration of the direction it was going and how it was going to, in the long run, affect the province.

The Minister I guess will have to live with his decision. I can only add that the individuals that the Minister referenced as being new positions were actually hired against existing positions within the faculty, I am told. This was made possible in large

measure because of resignations and changes that the dean precipitated himself. At least that is what I am told. I think that this is a \$500,000 gift to some old boys, and of not much value in the long run.

Mr. Ernst: The Member for Flin Flon (Mr. Storie) is entitled to his opinion.

Mr. Storie: Indeed.

Mr. Deputy Chairman: (f) \$543,800 Grant Assistance—pass.

The time is now 5:45 p.m. Committee rise.

SUPPLY—EDUCATION AND TRAINING

Madam Chairman (Louise Dacquay): Would the Committee of Supply come to order, please. This section of the Committee of Supply has been dealing with the Estimates of the Department of Education and Training.

We are on 5. Post-Secondary, Adult and Continuing Education and Training \$100,896,000; (a) Executive Administration: (1) Salaries \$199,100. Shall the item pass?

* (1630)

Mr. Dave Chomlak (Kildonan): Madam Chairperson, just in general with respect to this particular vote I note that we have had substantial changes in realignment in this particular branch in this part of the department. Despite that, I notice that the mandate, as outlined in the notes preceding the Supplementary Estimates, has not changed substantially from the mandate laid out in last year's Supplementary Estimates. I am wondering if the Minister can indicate what studies and what plans and information he can table that will indicate why changes were made in this branch of the department this year.

Hon. Leonard Derkach (Minister of Education and Training): Madam Chair, there was an external review that was done of the department in 1989, I believe, by Johnston Lahey. As a result of that review, there were some recommendations that were made which we have pursued, and that has resulted in the changes that the Member is referring to. The changes were made to allow for more efficient use of resources, more effective methods of accountability, and a better system of administering the affairs of this particular branch of the department.

Mr. Chomlak: Madam Chairperson, was that a public study that I can have access to?

Mr. Derkach: Yes, Madam Chair, I believe the summary of the report was made public at the time. As a matter of fact, I believe it was tabled in the House, but I could stand corrected. Yes, it was a public document.

Mr. Chomlak: Madam Chairperson, those are my specific questions with regard to 5.(a).

Madam Chairman: Item 5.(a) Executive Administration: (1) Salaries \$199,100—(pass); 5.(a)(2) Other Expenditures \$175,300—(pass).

5.(b) Program Analysis, Co-ordination and Support: (1) Salaries \$984,500.00.

Mr. Chomlak: I note that one position was transferred from this agency to take part in the High School Review. Can the Minister provide me with details as to why a position in this end of his department would be taking part in the High School Review?

Mr. Derkach: Madam Chair, the resources were not required in this particular area on a temporary basis, if you like. For that reason, we were able to transfer the position to assist with the High School Review.

Mr. Chomlak: Can the Minister indicate whether this is the branch that is involved in the negotiations of a new NDA?

Mr. Derkach: Madam Chair, the NDA was negotiated under the Department of Northern and Native Affairs, not through the Department of Education and Training.

Mr. Chomlak: Did this branch of the department have any involvement with the NDA in terms of administration or policy analysis?

Mr. Derkach: Not in administration, Madam Chair, but I might say that there has been consultation with the Department of Northern Affairs in the process of renegotiations and in the discussions that have gone on between the federal Government and the provincial Government.

Mr. Chomlak: Finally, Madam Chairperson, can the Minister just give me a brief description of the Canada-Manitoba Agreement on Training?

Mr. Derkach: Madam Chair, the agreement expired in March and is up for renewal right now, so we do not have the particulars of the new agreement at this point in time.

Mr. Chomlak: Just along those lines, Madam Chairperson, how are the negotiations going?

Mr. Derkach: Madam Chair, it is still fairly early in the process to tell how negotiations are going because the federal Bill has just been passed; however, I should indicate that we are optimistic that negotiations will go fairly well.

Madam Chairman: Item 5.(b) Program Analysis, Co-ordination and Support: (1) Salaries \$984,500—pass; 5.(b)(2) Other Expenditures \$192,200—pass.

5.(c) Red River Community College: (1) Salaries \$30,830,200.00.

Mr. Chomlak: Has the mandate or direction of the Red River Community College changed as a result of the announcements in the throne speech?

Mr. Derkach: Can I ask the Member to clarify which announcements he is referring to?

Mr. Chomlak: The specific announcements with respect to private sector training functions to be undertaken by the private sector. Effectively I am asking the Minister, are jobs going to be lost at Red River Community College as a result of the new initiatives announced in the throne speech with respect to private sector training?

* (1640)

Mr. Derkach: No, there are no job losses at Red River Community College as a result of the Workforce 2000 that I think the Member is referring to. The two initiatives are quite separate. Red River Community College has a mandate; its mandate has not changed. We are moving to college governance and that will affect Red River Community College in the way that Red River Community College does business, but in terms of the mandate of the college, nothing has changed in that regard.

Mr. Chomlak: Is the advisory body still in effect at Red River Community College?

Mr. Derkach: No, they are not functioning at the present time. In moving to college governance, there will be a board of governors put into place as the college gets its autonomy.

Mr. Chomlak: Can the Minister outline what process is in place with respect to the governance issue, and what discussions have taken place and at what levels with the community college itself on that matter?

Mr. Derkach: With regard to college governance, we are just in the process of putting together the transition team for college governance. We are

working on the colleges Act and discussions are taking place between the departmental staff and the staff at the community college who are still linked to the department, of course. As we move to college governance, there will be a transfer of the staff who work at the college from the department to the college and who will report to the president and to the board of governors.

Mr. Chomlak: The Minister indicated in a letter to me that he would not release to me a copy of the Minister's report on college governance. That is report No. 16 that I have been refused. Can the Minister indicate when I will get a copy of that report? The Minister's Advisory Committee Report, I believe is the title.

Mr. Derkach: As I indicated before, Madam Chair, that report was for my use. It was not intended for public distribution, and for that reason it will not be released.

Mr. Chomlak: Has the Minister, his deputy or any officials from the department communicated with the staff at Red River Community College in order to allay their concerns as to the developments that might have a dramatic effect on their job security as a result of the decisions made by the Government?

Mr. Derkach: We have communicated with the administration and staff at the community college on several occasions. Those discussions and those consultations are ongoing. Our intent is not to disrupt the staff situation at any of the colleges. We are trying to work co-operatively with the administration, the staff and the students as a matter of fact at the colleges so that the transition will be as smooth as possible.

That does not say that there are not concerns at the colleges with regard to transferring the colleges from the department to the board of governors. Let me tell you that we are not doing this to try and disrupt staff or to reduce staff complement at the community colleges. This is being done so the colleges can respond more effectively and efficiently to the training needs and the post-secondary educational needs that are out in this province.

Mr. Chomlak: Just for purposes of clarification, is the Minister therefore committing today to the fact that no staff and no positions at that institution will be lost as a result of these measures, and individuals employed there will have job security in the same fashion and manner they have today?

Mr. Derkach: From time to time, there are always staff changes in the institutions. There is not going to be any guarantee from me at this point in time that everybody who is at the college will be there forever and a day.

As the college evolves and as it changes, sometimes programs are added or you need new staff. Then at times the programs may in fact be terminated, and existing staff may have to either have job changes, if you like, or in some instances programs may cease to exist and therefore there have to be adjustments made in terms of the staff complement. But the design of college governance is not to reduce the number of people working at either of the three community colleges that we have in this province.

Mr. Chomlak: Could the Minister indicate if any decision has been made and what the status is of the employees pension plan vis-a-vis their involvement with the Civil Service Superannuation Plan?

Mr. Derkach: That is the precise reason why we will have a transition team put into place so that those issues can be dealt with in an appropriate manner. There will be representation on the transition team from the various bodies that will be affected by the changes so that the faculty will be represented, MGEA will be represented, administration will be represented on the transition team.

Mr. Chomlak: Can the Minister indicate when this transitional team will be put into place?

Mr. Derkach: Madam Chair, I would expect that the transition team will be in place in the next month. We are working toward that goal, give or take a few days. That is our intended goal, to have a team in place within the next month.

Mr. Chomlak: Red River Community College has just hired a president. Can the Minister indicate, or can he table in this House the cost of the search for that particular position, search and hiring process?

Mr. Derkach: Madam Chair, I do not have the cost of the search with me at this point in time, but the process was a normal search that we do whether it is the president of Red River, the president of Keewatin or the president of Assiniboine. If we require those positions, we go through the normal channels, the bulletining, the advertising. I can get those costs for the Member if he would like to have them.

Mr. Chomlak: Yes, I would appreciate it. I would also like the Minister to advise me whether or not a consulting firm was utilized in order to hire for this position.

Mr. Derkach: No, Madam Chair. We did not expend monies on a consulting firm to hire this individual. The search was done through the normal Civil Service channels that we do many of our searches through.

Mrs. Sharon Carstairs (Leader of the Second Opposition): I have a number of questions in this particular area. Can the Minister first of all tell us if the enrollment figures as indicated here, some 29,000 students, are approximately accurate for the '90-91 year, and if that has been an increase or decrease over the previous year?

Mr. Derkach: There has been a slight increase in the number of students at the college. Last year, there were 29,263, and this year the figure that is reported is accurate 29,862.

Mrs. Carstairs: Madam Chairperson, could the Minister tell me how he can make do at this particular community college with a staff increase, considering the new positions, of 1.7 percent?

Mr. Derkach: Madam Chair, the staff complement is sufficient to carry out the instructional responsibilities at the college. It is true that we do not have a vice-president at the present time, but because we have just hired a president, it is important for that individual to assess the administrative needs at the college and then to have some input in terms of perhaps how he may wish to change the administrative structure, or whether or not he feels that the structure that is in place now should be there. Then that individual should also be involved in the search for a vice-president. In terms of the total staff complement, I am advised that everyone is working to capacity, of course, and that is good, but there is not a need for more staff given the increase in the student population that we have.

* (1650)

Mrs. Carstairs: Madam Chair, that was not really my question. My question is, when I compare salaries to salaries one year to the other, all I come up with is a 1.7 percent differential. I am very surprised the faculty has agreed to a 1.7 percent increase. So I am somewhat wondering how you are going to manage to pay all of the staff at this particular college for what would amount to some

1.7 percent, in terms of the amount of money that will now be going out in staff salaries.

Mr. Derkach: Yes, Madam Chair, several things come into play here. First of all, the normal increases that civil servants in Government receive would be also afforded to the Civil Service staff at the college. Also, I would indicate that the figures that are before you may appear lower simply because there are vacancies. There always will be, because staff are coming and going constantly. So there is a turnover situation at the college, and therefore, the figure may not reflect the actual increase that is received by staff over there.

Mrs. Carstairs: Thank you, but that answer, I am afraid, muddled me even more. If you have a staff component of 772 staff persons and you show only an increase of some less than \$600,000 to pay them salary increments, how do you do that, giving them the 3 percent which was the Civil Service salary plus their increments?

Mr. Derkach: Madam Chair, once again as the Member knows, there are first of all term positions here, and term positions vary in length, if you like, accordingly to the courses that are being taught. Secondly, staff who retire will usually retire at the top of the scale and new staff come in at the bottom of the scale, so therefore there is no cutting back on increases that are deserved by staff.

We are not running this line in a deficit. The increases that are afforded in terms of the cost of living increase to staff and the increases according to the agreement are going to be extended to the staff at the college, so there is not any cutback.

There is some slippage in terms of people who leave at the top of their level, who retire, and then new staff coming in will come in at the bottom usually, or somewhere in between.

Mrs. Carstairs: Just for the Minister, I went through it specifically with regard to other sections of the department. The community colleges show the lowest percentage of salary increases of any other in the education department, and they must also have staff turnovers and they all have some term positions. Obviously there is no further explanation, but it is an interesting question.

Can the Minister tell me how the community college, with an additional number of some 600 students, is going to be able to cope with a 2 percent overall increase and an inflation rate of 4.6 percent,

which means that their actual increase will be 2.6 percent below the rate of inflation?

Mr. Derkach: Madam Chair, the reason for the figure that the Member speaks about is the fact that community colleges operate on somewhat of a different system of delivering programs. There was not a dramatic increase in the daytime or full-time students as such, which makes a significant difference. Many of the students were extension students, the increases were in the area of extension programs, and also the whole area of market-driven training comes into play here. When you combine all of those factors, it gives the impression that the increases are not as much as they really are. However, I have to indicate that programs are being offered at the college; there have been no cutbacks in the programs. There is perhaps more efficient use of resources that are out there, but indeed we are providing an adequate amount of education service at the college.

Mrs. Carstairs: To concentrate on just one specific area, because it is true throughout all the community colleges, if we talk about other operating costs, we also see only a 2 percent increase there. Now presumably that involves the purchase of teacher related instructional materials.

If one looks at the cost increases on that kind of material, one rarely sees changes of less than 5 percent and as high as 20 percent. How is the community college going to be able to maintain its leading-edge position in terms of training our young people if it gets this kind of an increase for other, in terms of operating, in terms of supplies and services, in terms of capital, to do the job which must be done?

Mr. Derkach: Madam Chair, in other operating, yes, indeed there are times when these figures have to be increased, and it would depend on the year and perhaps whether the expenses are continuously recurring expenses or whether they are non-recurring expenses, which means that the expense is built into the base but there does not necessarily have to be an increase in the final figure.

I have to indicate that we are indeed trying to make sure that colleges are accountable for every dollar that they spend, and that does not mean that we are cutting back in any of those areas. It does mean that we have to look at the way we use our resources that are available to us and try to make the best use of every dollar that is invested into the

community colleges or into any institution for that matter.

Mrs. Carstairs: Madam Chairperson, in the discussion of Governments, there were a number of models that the Minister could have looked at. There were some who suggested that the Government simply pass over some of the management issues directly to the community colleges. Others suggested that there be one board for all of the community colleges. Then there is the third model, which the Government has apparently accepted, which is a different governing body for each and every one of the community colleges.

Can the Minister briefly outline what led to the decision and what inputs there were into the decision that this was the correct model of governance for the community colleges in the Province of Manitoba?

* (1700)

Mr. Derkach: Yes, Madam Chair, I would be happy to. The governance model that was chosen was a result of a study that was done, of course, on college governance. After that study was completed it was the recommendation, a unanimous recommendation, of the committee that this would be the preferred or recommended model, and there are several reasons for it.

First of all, it is important that community colleges are just that, community colleges that reflect the needs of the community that they serve. If you are going to have that, then it is important that the people who are sitting as boards of governors for those colleges have that same goal in mind, that they indeed have the goals and objectives of the community that the college is serving.

Secondly, I think it is important to note—Madam Chair, I notice my beacon is not shining here. Is there—thank you. Secondly, I think it is important to note that the community colleges in Manitoba vary significantly from one to another. If you look at the clientele or the area that Assiniboine Community College serves for example, it is vastly different from the community college at The Pas, and both these colleges are significantly different in terms of the clientele they serve, in terms of the kinds of programs that are offered within them from Red River Community College here in Winnipeg.

So we have to keep in mind also the diversity of the province and the needs that we have in the different regions. So for that reason and others, the

committee recommended that we would go with the college governance structure that would have three boards of governors, or a board of governors for each of the community colleges in this province.

Mrs. Carstairs: The Government has recently given a tender to McJannet and company to investigate the vice-president of the community college. Can the Minister outline the instructions that were given in this contract?

Mr. Derkach: I am sorry. I am not familiar with the contract that the Member speaks of. Could I ask her to repeat it? Maybe I missed the name.

Mrs. Carstairs: There was a contract in Order-in-Council which indicated that the law firm of McJannet had been given a contract for \$15,000 to prepare some legal briefing notes, one assumes, on the community college and the vice-presidency.

Mr. Derkach: What did you want to know about it? I am sorry.

Mrs. Carstairs: I want to know what the terms of reference, what the questions were that were given to the law firm. What were they specifically asked, their terms of reference?

Mr. Derkach: I have to indicate to the Member that this was a private or, if you wish, an internal personnel matter whereby we sought the assistance of a legal firm to give us some advice and to research the particulars around a situation which was of a personnel nature. The findings of that report, again, were meant for the Minister and were not for public distribution or consumption.

Madam Chairman: Item 5.(c) Red River Community College: (1) Salaries \$30,830,200—(pass); 5.(c)(2) Other Expenditures \$7,430,500—(pass); 5.(c)(3) Less: Recoverable from Other Appropriations \$413,000—(pass).

Item 5.(d) Assiniboine Community College: (1) Salaries \$8,355,200.00.

Mrs. Carstairs: Again, and I do not want to dwell on this issue, but I am concerned that there seems to be a lack of appropriate funding to our community colleges. If I look at the salary figures, same number of staff, a 1.1 percent increase—can the Minister tell me if there has been a large number of staff that have in fact been let go, which would justify a figure based on newer staff, younger staff being hired and older staff being let go?

Mr. Derkach: Yes, several factors come into play in this area again. It is true with all community colleges

where you have some senior staff who are retiring, newer staff coming in at a lower level. Secondly, colleges are doing more and more market driven training where staff comes in on a term and for shorter periods of time. Therefore, the salary dollars that one would expect, in terms of increases, are not required, but there is not any cutback in terms of, as I have said before, that there are no cutbacks in terms of the programs that are being offered or the staff that are present at the community colleges right now.

We do have some vacancies as well. For examples, at the present time at the Assiniboine Community College, we do have an acting president. We do not have the president of Assiniboine Community College, who moved away from the province, and it is now the president of SIAST, I believe.

We have Mr. Bill McCracken who is with us here today, who is filling the role of several positions and seems to be doing it adequately, but I can tell you that is not on a permanent basis, because we do not want to burn this man out. We want to ensure that we have him around for a long time, so therefore, we will be putting a search out for a new president for the college as well.

Mrs. Carstairs: Madam Chairman, there has been a movement of an instructor in the Animal Health Technologist Program. This position used to be located at Red River Community College and now has been transferred to Assiniboine Community College. Apparently, it involves the entire course, because this is one instructor who taught this entire course.

What was the reason for the move to Assiniboine Community College, and has this in any way affected the enrollment, vis-a-vis at Assiniboine, the number of students who may have been enrolled at Red River Community?

Mr. Derkach: Madam Chair, one of the reasons for moving the Animal Health Technology Program from Red River to Assiniboine Community College is that at the present time we have a problem at Red River Community College in terms of the facility. The program will not be accredited unless there is a major investment into the facility at Red River Community College.

It is true that we want to maintain the program and indeed enhance the program. We want to introduce a large animal section into the program, as well as

herd management. That whole area relates better to the region, if you like, surrounding Assiniboine Community College, because I think the figure is something like 70 percent of Manitoba's livestock industry, in terms of the beef cattle, is situated in and around that region. I may stand to be corrected, but it is a fairly high percentage. Assiniboine Community College has the mandate for all agricultural programs as well in this province, and it lends itself to that kind of training. In that way, we are hoping to attract even more students from rural Manitoba to this kind of a program.

* (1710)

I can tell you that we have a waiting list of I believe—what?—150 students who are waiting to get into the program. It is a very popular program, and we have to ensure that the facilities are up to current standards. In addressing the whole area of facilities, it was decided that we would move the program to Assiniboine Community College.

Mrs. Carstairs: Of course, as the Minister is well aware, this particular trained person does not just look after livestock. This kind of technologist can deal with any animal, whether it is a domestic animal or whether in fact it is a farm animal.

The information which was given to me by the president of the Manitoba Animal Health Technologist Association indicated that it would have cost some \$80,000 to upgrade Red River Community College in order to raise it to the standards required by the Canadian Veterinary Medical Board. He also alleges in this letter, however, that it will cost \$2 million to move that program to Assiniboine Community College. Can the Minister give me information which would refute that kind of cost?

Mr. Derkach: No, the figures are not accurate. Our estimates—and I am confident that our figures are accurate—indicate that we would have needed to spend some \$230,000 at Red River to bring the facility up to speed, but at the same time, we would not be able to introduce the third management component into the program.

There were other alternatives, for example, finding co-operative agreements with perhaps the University of Manitoba, for large animal holdings, or other institutions. To move the program to Brandon and to create a state of the art facility, if you like, for this kind of program, it will cost us something in the neighbourhood of \$800,000.00.

Indeed that is a significant difference, but on the other hand, there are other reasons, as I have indicated earlier, that we have decided to move the program to Brandon. We feel that we will be able to serve, not only our students better, but also provide that region with the kind of training program that will attract many of the students from our rural parts of this province. It does not say that we still will not continue to address the area of small animal health; that will still continue to be part of the program, and an important part of the program.

Mrs. Carstairs: For whatever reason, both in agriculture and in veterinary medicine, according to the figures I was able to get from the veterinary colleges across the country, there seems to be a greater number of students from urban areas applying to take veterinary medicine than from rural areas. Is that also true of the waiting list of the students who are waiting to take this particular program? Are the vast majority of them from Winnipeg, or are the vast majority of them from outside of Winnipeg?

Mr. Derkach: No, Madam Chair, there has been no identification of these students as to whether they are from rural or urban centres at this point in time.

Madam Chairman: Item 5.(d) Assiniboine Community College: (1) Salaries \$8,355,200—(pass); 5.(d)(2) Other Expenditures \$2,270,300—(pass); 5.(d)(3) Less: Recoverable from Other Appropriations \$20,000—(pass).

5.(e) Keewatin Community College: (1) Salaries \$7,936,100.00.

Mr. Chomlak: Madam Chairperson, on page 88 of the Supplementary Estimates, in the Activity Identification, it says that one of the activities is to provide skilled training, et cetera, "using the ACCESS model." Can the Minister indicate briefly what reference to the ACCESS model is in this context?

Mr. Derkach: The ACCESS model involves several components, one being the financial support to the student and the other being the living allowances, if you like, to the student, academic supports to the student, which means that ACCESS supports are given to that student if he or she has not completed formal Grade 12, and also counselling for the student to get him or her involved in the academic world or the situation at the particular institution, so he or she can adapt to the change in lifestyle or the institution's surroundings. Many of these students

do come from disadvantaged backgrounds, economically and socially, and therefore they require these kinds of supports.

Mr. Chomlak: Madam Chairperson, I thank the Minister for that answer. Does the Minister have statistics on the number of aboriginal people who are employed at this particular institution?

Mr. Derkach: This is always a statistic I like to throw out, because it shows a comparison of just two years of concentrated work in terms of trying to bring our aboriginal people into teaching positions, into management positions.

When I came into this department, there were four aboriginal people working at the college. I am proud to tell you today that the college administration, along with the department, has put in a concerted effort. We have 37 throughout at Keewatin Community College and in our northern regions.

Mr. Chomlak: Yes, can the Minister give me a breakdown of the 37 positions, specifically how many are in managerial and administrative roles?

Mr. Derkach: Madam Chair, if we take a look at managerial positions being those where there is some administrative responsibility, we have 19 of those positions in total—of those, five are aboriginal, and of those five, two are women.

* (1720)

Mr. Chomlak: I guess the obvious question is, and I suppose it is semantics, but your staff years indicate only two managerial positions in the entire college out of a total of 181 positions. I am failing to make the comparison.

Mr. Derkach: Yes, Madam Chair, I tried to explain that. When I spoke about people in administrative positions, I was speaking about chairpersons within the community college. There are only two administrative or managerial positions, but I am talking, I guess, professional and technical, if you like, positions where people have some responsibility over and above the general or regular instructional kind of person, people who have some people working in their supervision and who have some administrative responsibility. These are the individuals that I am referring to.

Mr. Chomlak: Can the Minister indicate what programs are in effect to encourage and increase the level of aboriginal participation at these administrative and managerial levels?

Mr. Derkach: Madam Chair, there are several small or routine initiatives that I guess managers do to try and attract affirmative action candidates to management positions. I can tell you that there are two specific programs that the college involves itself in, one being the public sector management training for women. The other program is the active recruitment of aboriginal and affirmative action candidates from the Brandon University, University of Winnipeg, and also the Winnipeg Education Centre and the University of Manitoba.

Besides that, I have to indicate that whenever possible, internal promotions are made.

Mr. Chomiak: Madam Chairperson, is the Minister familiar with the LTEA program that was formerly administered at this College—Limestone Training?

Mr. Derkach: Yes, Madam Chair, I am familiar with the LTEA program, the former LTEA program.

Mr. Chomiak: Can the Minister indicate what happened to the equipment that I understand was sold under that particular program? Can he indicate what the value was of the sold equipment, the value received to the province? The revenue derived therein.

Mr. Derkach: I would like to expand on this answer just for a moment, Madam Chair.

When I came into the office of the Minister of Education and Training, one of the issues that was raised was that I should perhaps visit the North and look at the programs that were being delivered under the LTEA and under the community colleges.

I did take advantage of an opportunity to do that. As we were touring the facilities in The Pas and Thompson with the president of Keewatin Community College, I could not help but notice that when we were at some of the sites there seemed to be an awful lot of construction equipment lying around. It was obvious that the equipment had been there for some time because there were trees growing around some of this equipment.

So when we began to discuss -(interjection)- no, that is not a joke. That is true. When we began to talk about this equipment, I was told that this equipment was used for community-based training. As it broke down, some of it was construction -(interjection)- yes, construction workers on equipment—health care workers.

Nevertheless, we started to collect this equipment. It was not very long before we had the

yard at Keewatin Community College full of construction equipment, and much of it was in many pieces. It had seen its day, I guess. It was not maintained. No one seemed to claim responsibility for it. Nobody knew who it belonged to, but at one time it was used as part of the training program under the former administration.

The value of that equipment—and I would simply guess—had to be in excess of \$2 million or \$3 million. I can tell you that there was one piece of equipment that I know would cost over half a million if it was purchased today, was rendered virtually useless, because it had been left in a swamp through the winter months and then was pulled out in the spring. In the course of pulling it out, they had ruined another machine. This was the way that things were managed in northern Manitoba in the training component.

The Member for Kildonan (Mr. Chomiak) asked the question, and I would have to indicate that one of his colleagues, who sits on the other side of the House now, would be very familiar with what I speak about.

We did sell the equipment. We held an auction sale. Some of it, I think, is still to be sold, is it not? -(interjection)- It is all sold. Some of it has to be carried away still, but the revenue that was generated from the sale was something like \$462,000.00.

I had a construction operator go up there to take a look at this equipment; he thought he might be interested in it. When he returned, I asked him what he thought it was worth. He said, I would advise you to get a scrap iron dealer to go and clean it up for you, and perhaps it will not cost you that much to get rid of it, because, he said, the equipment is virtually useless. This is the kind of waste that we have witnessed in northern Manitoba. The equipment was not used in an appropriate way.

I do not know what has happened with the people who were trained on this equipment. We cannot find out any statistics on whether these people are indeed employed in construction, in truck driving, in driving these big machines, but nevertheless, we have expended millions of dollars on this kind of training, the results of which are not known. Madam Chair, I have to tell you that I am glad we sold that equipment and we got rid of the eyesore that was causing sort of a bad memory for some of us who have stewardship over taxpayer dollars.

Mr. Chomiak: I note that the Minister gets rather expansive when we move into generally political areas, but when I ask him specific questions to provide the statistics and other information, his questions are rather short and curt. In terms of this administration's handling of expenditures in areas of this, I note that Keewatin Community College's expenditures are down considerably this year from last year, and that connotes this Government's support to northern Manitoba.

Mr. Derkach: Madam Chair, the reason for some of the reduction in the expense at Keewatin Community College is, of course, because of the fact that we were able to amalgamate the Northern Training Employment Agency and have the administration report through the Keewatin Community College. We moved the administration from downtown Winnipeg to northern Manitoba where the services are required and where the management is required, so therefore, we do not have the expense of flying people from Winnipeg to northern Manitoba to do their work. The work is being done in northern Manitoba where it should be.

This was the kind of waste, intolerable waste, that we witnessed under the former administration. I have no apologies to make for reducing the budget and creating some efficiencies. Indeed we have expanded programs in northern Manitoba through the Northern Training Employment Agency and at Keewatin Community College.

* (1730)

I am proud to tell you today that Keewatin Community College is addressing many of the needs. As a matter of fact, I can also indicate, although the Member points to the reduction here, we have introduced the Northern Bachelor of Nursing Program which was on the negotiating table since 1985. The Member for The Pas (Mr. Lathlin) today is the Member who lobbied us to ensure that we would fulfill a commitment that was not fulfilled by the former administration, and we did it. I am proud to say that Keewatin Community College today has a Northern Bachelor of Nursing Program. It is only a benefit to the people who live in northern Manitoba where that benefit should be.

Mr. Chomiak: Part of the reason that the ACCESS intake is frozen at this time is because of this administration.

I would like to ask the Minister, subtitle 2, footnote 2 on page 89 of the Supplementary Estimates

indicates a reduction of \$120,600 due to efficiencies. Could the Minister specifically outline for me what that \$120,000 is comprised of?

Mr. Derkach: Madam Chair, on point No. 1 with regard to ACCESS programs, I have indicated to the Member and to his Party time and time again the ACCESS programs are only frozen for this year until we have some indication from the federal Government about their share of commitment to the program. Our commitment is solid. We have increased the commitment to that program by \$2.6 million this year. That is a commitment that is solid and is strong in this part of Government. We have to ensure that the federal Government also lives up to its commitment, and those are the negotiations that are going on at the present time.

With regard to the efficiencies, Madam Chairperson, this is one of the efficiencies, \$462,000 in revenue from a sale of a pile of scrap iron that was lying around in northern Manitoba as a result of poor management by the former administration. There are many other efficiencies that I could talk about.

With regard to the specific number of \$120,600 it is a reduction in the Limestone training, if you like, which was phased down because of the fact that the Limestone dam is now complete.

Mrs. Carstairs: Madam Chairperson, if one compares the average salaries at the three community colleges, for last year the average salary at Red River was \$41,000-plus, at Assiniboine it was \$39,000 and at Keewatin it was \$51,000.00. They have now added a number of staff, and the average salary has gone down to \$43,000.00. Can the Minister explain how this can happen?

Mr. Derkach: Once again, Madam Chair, that is a result of the amalgamation of the NTA and the KCC staff where you have an increase in the staff as a result of the NTA. The staff were transferred to Keewatin Community College, but the staff dollars were already there. That is why the average salary, if you like, would appear to be reduced in an overall sense. I could just add to that, these were contract positions before, and now they have been transferred to Civil Service positions.

Mrs. Carstairs: You are saying that as Civil Service positions they are in fact being paid substantially less than they were paid when they were contract positions. Is that the explanation?

Mr. Derkach: No, Madam Chair. It does not mean that they are being paid substantially less. It just means that the overall staff complement has been increased.

Mrs. Carstairs: That is not what the figures say. I mean, the figures say that 160 staff were paid \$8.2 million, which is an average salary of \$51,000.00. You now have 181 staff. They are paid \$7.9 million for an average staff salary of \$43,000.00. That in fact is a reduction of some \$8,000 per staff member. Now that cannot have happened, so what is the explanation for the reduction?

Mr. Derkach: Maybe I can go through it a step at a time, and then we will all have a better understanding of it. First of all, the staff were always there, but they were contract staff, as I indicated. Therefore they did not require salary dollars, because they were on contract, but they were still being paid. They were moved—or staff years—they were moved into the Civil Service, which increases the complement of staff, but the salary dollars, if you like, would remain relatively the same. -(interjection)- Well, I said relatively the same.

Mrs. Carstairs: I really do not want to belabour this, but there is a significant difference here. I mean, if the average staff salary was 51 and is now 43, there has to be an explanation. It is not simply the transfer of staff years, because that would not change the component. There is some reason why the staff salaries per staff member are substantially less than they used to be.

Mr. Derkach: No, Madam Chair, the staff were contract staff. They were still being paid but not out of salary dollars, out of other operating or operating dollars, if you like, because they were contract staff. Now they have been moved in as part of the Civil Service or part of the college's staff which increases the number of SYs.

* (1740)

Mrs. Carstairs: I am not having a problem with the numbers.

Mr. Derkach: All right. Therefore the figures have not really altered. If you wanted to know what the salary levels are, you would have to use that same figure of 160.46 and divide it into the total, and you would have the average salaries comparatively for both years.

Mrs. Carstairs: Well, then where were those people paid, out of what allotment in previous years? If they were not paid out of staff years, where is that

missing figure in the rest of the account for this particular community college?

Mr. Derkach: Madam Chair, last year the salaries were paid out of Other Expenditures; they were not paid out of salary dollars. Therefore when we have moved them in as civil servants, they are now paid out of the pool, which is under salary costs rather than out of other operating dollars. The dollars in a general sense were always there, but they are contract positions and they do not require SYs.

Madam Chairman: Item 5.(e) Keewatin Community College: (1) Salaries \$7,936,100—(pass); 5.(e)(2) Other Expenditures \$4,229,300—(pass); 5.(e)(3) Less: Recoverable from Other Appropriations \$15,000—(pass).

Item 5.(f) Education and Training Assistance \$2,086,500—(pass).

Item 5.(g) Student Financial Assistance: (1) Salaries \$1,524,200.00.

Mr. Chomlak: Madam Chairperson, can the Minister indicate if the criteria this year for the MSFAP has changed from last year, and if so, have the criteria for the Student Financial Assistance changed this year from last year, and if so, on what basis was that change made?

Mr. Derkach: There have been no significant changes in the criteria for student aid in the last year. There were some changes that were put into place two years ago, but there have not been any changes within the last year.

Mr. Chomlak: Does the Minister have access to any study or indication that would indicate a greater need necessitating a change in the guidelines under the program?

Mr. Derkach: Madam Chair, I have indicated on several occasions, I think, that there is a requirement to change the Canada Student Loans Program so that it better reflects the needs of today's student. That has not been done since 1984, I believe.

Therefore, we are overdue for some adjustments, if you like, to the Canada Student Loans Program. Once again, that is the Canada Student Loans Program not the provincial.

Mr. Chomlak: Is this matter at all addressed in the upcoming strategic plan to soon be released?

Mr. Derkach: No, Madam Chair, that is not our program. Therefore, it is not one that will be

addressed or can be addressed in any effective way by us.

Mrs. Carstairs: I am assuming that the Grants/Transfer Payments that shows the 8.2 percent is primarily bursaries. Is that correct?

Mr. Derkach: Yes, that is correct.

Mrs. Carstairs: Can the Minister tell us approximately the average of bursary allotted to a student in the Province of Manitoba?

Mr. Derkach: Madam Chairperson, the average student bursary in the province is somewhere in the neighbourhood of \$2,200, but that may vary by a few dollars.

Mrs. Carstairs: Will the Minister undertake to raise the issue of the guidelines at the Council of Ministers of Education, because in real terms, we have seen our students suffering because the federal Government, quite frankly, has just been unwilling to recognize that students in 1990 cannot exist in 1984 dollars with no changes?

Mr. Derkach: I have to indicate that this matter has been raised at the Council of Ministers level, the Post-Secondary Committee of the Council of Ministers, and I can indicate to her that we have requested a meeting with the federal Minister. I am confident that in our spring round of meetings we will be able to address that issue with our federal counterparts.

Madam Chairman: Item 5.(g) Student Financial Assistance: (1) Salaries \$1,524,200—(pass); 5.(g)(2) Other Expenditures \$260,300—(pass); 5.(g)(3) Assistance \$11,465,900—(pass).

Item 5.(h) Student Financial Assistance Appeal Board: (1) Salaries \$129,800—(pass); 5.(h)(2) Other Expenditures \$7,700—(pass).

Item 5.(j) Post-Secondary Career Development/Adult and Continuing Education: (1) Salaries \$1,518,000—(pass); 5.(j)(2) Other Expenditures \$2,784,700—(pass); 5.(j)(3) Grants \$9,636,000—(pass).

Item 5.(k) Canada-Manitoba Winnipeg Core Area Renewed Agreement - Employment and Training: (1) Grants \$2,320,000—(pass); 5.(k)(2) Less: Recoverable from Urban Affairs \$2,320,000—(pass).

Item 5.(m) Literacy Office: (1) Salaries \$232,400—(pass); 5.(m)(2) Other Expenditures \$55,600—(pass); 5.(m)(3) Grants \$587,000—(pass).

Item 5.(n) Special Skills Training: (1) Salaries \$3,797,200—(pass); 5.(n)(2) Other Expenditures \$1,655,600—(pass).

Item 5.(p) Workforce 2000/Job Training for Tomorrow: (1) Salaries \$799,300—(pass).

The hour being 5:45 p.m., committee rise.

Call in the Speaker.

IN SESSION

COMMITTEE REPORT

Mrs. Louise Dacquay (Chairman of Committees): The Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Sturgeon Creek (Mr. McAlpine), that the report of the committee be received.

Motion agreed to.

Committee Change

Mr. Edward Helwer (Gimli): Mr. Speaker, I move, seconded by the Member for Fort Garry (Mrs. Vodrey), that the composition of the Standing Committee on Public Utilities and Natural Resources be amended as follows: McAlpine for Vodrey.

* (1750)

Mr. Speaker: Agreed? Agreed.

I am advised His Honour the Lieutenant-Governor is about to enter to grant Royal Assent to Bills 15, 16, and 17.

All rise.

ROYAL ASSENT

Deputy Sergeant-at-Arms (Mr. Roy MacGillivray): His Honour the Lieutenant-Governor.

His Honour George Johnson, Lieutenant-Governor of the Province of Manitoba, having entered the House and being seated on the Throne, Mr. Speaker addressed His Honour in the following words:

Mr. Speaker: May it please Your Honour:

The Legislative Assembly in its current Session passed three Bills, which in the name of the Assembly, I present to Your Honour and to which Bills I respectfully request Your Honour's Assent:

Bill 15—The Re-enacted Statutes of Manitoba (Private Acts) Act, 1990; Loi de 1990 sur la réadoption de lois du Manitoba (lois d'intérêt privé)

Bill 16—The Re-enacted Statutes of Manitoba (Public General Acts) Act, 1990; Loi de 1990 sur la réadoption de lois du Manitoba (Lois générales d'intérêt public)

Bill 17—The Private Acts Repeal Act; Loi sur l'abrogation de lois d'intérêt privé.

To these Bills, Royal Assent.

Mr. Clerk (William Remnant): In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to each of these Bills.

(His Honour was then pleased to retire).

Hon. Clayton Manness (Government House Leader): Mr. Speaker, I believe it might be the disposition of the Members that we call it six o'clock.

Mr. Speaker: Is it the will of the House to call it six o'clock? Agreed?

The hour being 6 p.m., this House is now adjourned and stands adjourned until 1:30 p.m. tomorrow (Thursday).

Legislative Assembly of Manitoba

Wednesday, November 14, 1990

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