



**Third Session — Thirty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**

**DEBATES**  
and  
**PROCEEDINGS**

28 Elizabeth II

*Published under the  
authority of  
The Honourable Harry E. Graham  
Speaker*



**VOL. XXVII No. 54B**

**2:30 P.M. Friday, May 4, 1979**

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, May 4, 1979

Time: 2:30 p.m.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY — ECONOMIC DEVELOPMENT

**MR. CHAIRMAN, Mr. Albert Driedger (Emerson):** Committee come to order. I'd like to refer members of the committee to page 26, Resolution 38, Item 3. Manitoba Housing and Renewal Corporation. 3.(a). The Honourable Minister.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Thank you, Mr. Chairman. Mr. Chairman, before dealing directly with the MHRC programs, I would like to make some comments about housing market situation generally since MHRC is very much a part of the market. It would appear that in the course of this decade we will have gone from a situation of undersupply to oversupply of housing, particularly in the city of Winnipeg. Although the official CMHC vacancy rate figures from their April survey are not yet out, there is little doubt that for the first time since the early '60s it will be well over 4 percent and that is not as high as it's going to go. On the basis of present residential construction activity it is reliably projected the vacancy rate by the latter part of 1980 will fall into 7 to 9 percent range, a range which is deemed more than adequate to ensure the housing consumer will not have to pay more of his income to gain good quality shelter, as was the case earlier in this decade. The number of 1978 apartment construction starts in Winnipeg, 4,900 has only been equalled once before, and will represent an addition of 8 percent to the total existing apartment stock in the city. Although it is correct to say that these new units will primarily be suburban with higher rent structures, the effect of the increase in rental stock of that magnitude is to free-up greater numbers of good quality low to moderate rental units.

Although the full effect of this activity will not be felt until 1980, it has already had significant repercussions on the demand for MHRC housing stock. To illustrate, the annual rate of turnover in our Winnipeg family units went up to 35 percent of the stock in 1978, as compared to 25 percent in 1977, and about 20 percent in 1976. Further, the average waiting period for tenanting of applications has gone down to about 4 months in most cases, as opposed to a year and longer in the past. Also, our vacancy loss rate in Winnipeg increased to 2.2 percent in 1978, from 1.4 in 1977. The Winnipeg Regional Housing Authority waiting lists are also significantly down for the first quarter of 1979, as compared to what they were in the first quarter of '78, overall by as much as 50 percent. In the first three months of 1979, the waiting list figures have been steadily decreasing to a point that the higher turnover rates in themselves should be enough to maintain the current high level of servicing for our applicants for quite some time. What these figures indicate is that MHRC units indeed function as part of the overall housing market and that more people of lower income are obtaining greater choice in the marketplace. Notwithstanding developments in the market, our administration in 1978 as part of a total 500-unit public housing development program committed 407 additional new units in the inner core of the City of Winnipeg. This was because we recognize that the inner city residents are not the first to benefit from the slackening market and it is evidence of our commitment to the principle of the Inner City Renewal.

We have also committed ourselves to the provision of some 300 deep subsidy units per year to the non-profit corporations over the next three years for a total of 900 units representing about half of the total 1,800 expected CMHC approved non-profit units in that period. I should point out that the 300 units per year figure was derived from a calculation of what was required to maintain the existing level of service in terms of the projected increase in senior citizen population. Again this despite tremendous slackening that is taking place in the market.

We have said before that if the housing industry was given its head it would respond well to the consumer's requirements. In fact for many people who own and manage rental dwellings, it has in the past 18 months responded too well — Landlords Association. We have long maintained that the housing problem and it's essentials was not so much one of supply, it was one of affordability, although we are confident that the recent tremendous acceleration in supply is leading towards a definite narrowing of the affordability gap for even those of the lowest income.

We still recognize that the problem will not be solved over night. In that respect I have already stated my personal position in favour of the provision of a special shelter allowance program for the low income senior citizen. A position which I think is endorsed by the majority of my colleagues; that is presently being reviewed in terms of the overall package to be contained in the White Paper on Income Security Programs. Nonetheless I look forward to the introduction of such a program.

In addition to the Non-Profit Housing Assistance Program, we have recently introduced the Mobile Home Purchase Assistance Program under MHRC and it will ensure favourable loans from lending institutions to Manitobans who wish to purchase mobile homes. The effects of this program will be to render mobile homes truly affordable as a housing alternative for low and moderate income Manitobans by making the financing terms comparable to those available for conventional mortgages.

Another program indicative to our continuing commitment to make

Another program indicative to our continuing commitment to make home ownership more viable for low and moderate income Manitobans is the Manitoba Home Ownership Assistance Program which we initiated as a pilot program in our Meadows West subdivision, formerly Inkster Gardens, under the interest-free second mortgage of up to \$5,000 are available. Although there has been little activity under this program to date, we expect that this will change with the onset of the construction season. Depending upon the success of the program and the viability of funds in the future, the program may be extended to other areas.

The previous administration initiated certain programs conducive to promoting either new or existing home ownership for low and moderate income Manitobans, which we have found well worth continuing — the Rural and Northern Housing Program and the Critical Home Repair Program. The Rural and Northern Housing Program provides for subsidized home ownership for Manitobans living in smaller more remote communities of under 2,500 population. Under the MHRC component of this program, CMHC also delivers another component of the program through the Manitoba Metis Federation. We authorized 171 units in 1978 including 106 units for senior citizens rental.

Under the 1978-79 Critical Home Repair Program, we are processing some 1,400 applications at this point in time, including about 1,000 from pensioner home owners, and about 400 from non-pensioner low income householders.

Again, both of these programs resulted from initiatives by the previous administration, and we have seen fit to continue them and to improve their delivery wherever possible. We have also sought in general to make MHRC program delivery more cost-effective in order to free up the resulting savings to help fund these beneficial programs.

For example, instead of continuing the practice of giving MPIC a monopoly rights on insurance of MHRC buildings, we went to the competitive tendering process with the result that savings on premiums in the amount of approximately \$286 is being realized this year.

We are also undertaking a large scale energy conservation program for MHRC buildings, enabling both the conversion from high cost electrical heating to gas heating, wherever feasible. Appropriate building modifications and the institution of energy conservation practices, and the proper preventative maintenance programs, which will realize a saving of between \$300,000 to \$500,000 per year, at the most recent estimates.

In general, Mr. Chairman, we have sought through these and other efficiency initiatives, to assert greater responsibility to the taxpayer for the activities involving huge ongoing public subsidies. The subsidy bill for public housing alone for this year, are projected to be about \$32 million, while maintaining a necessary level of service required to fulfill the legislative mandate of the Manitoba Housing Renewal Corporation. With respect to these dual objectives, I am confident that we are moving in the proper direction.

Oh, the Chairman informs me, where I said . . . that I should have said that the saving on premiums in the amount of approximately \$286,000 is being realized this year. I think that will be a help to run through . . .

**MR. EVANS:** Well, thank you, Mr. Chairman, I try to jot down as many of the numbers that the Minister was reading off as I could. I wasn't able to follow it all as quickly, although I was very interested in what he had to say. I think that there is a recognition on his part and on the part of everyone, that there is such a thing as a housing problem per se in Manitoba, as there are in other provinces, and traditionally I suppose, many many years back, governments were not involved in housing in any way, shape or form. In fact, I know of some old-timers who recall that when they built their homes, they had no assistance from Central Mortgage and Housing Corporation, or any level of government. They built it totally by the sweat of their brow, no subsidy on interest payments, no government insurance on mortgages as you have through CMHC under the National Housing Act or what have you. The government was totally out of the picture. Well, as we know, over the

years government has become involved — essentially at the federal level, with the passage of the National Housing Act. There were other pieces of legislation before that, but the NHA legislation has got to be landmark legislation and particularly, the establishment of Central Mortgage and Housing Corporation which I think probably in the first instance, was very concerned in making housing affordable to the average Canadian by means of insuring mortgages, so that the private lenders were more ready to be forthcoming with their supply of finance, and at the same time, through this insurance program to keep the interest rates, the mortgage interest rates down to a reasonable level, so that people could afford a decent housing. And I think, by and large, the National Housing Act, the National Housing legislation has made a great contribution to the development of housing in Canada.

Now, over the years, provinces have become involved in varying degrees in varying ways and Manitoba became very much involved way back when, I don't whether it was Duff Roblin — I guess it was Duff Roblin, who was premier with the urban redevelopment — Lord Selkirk Park and that inner core development at that time. When the Schreyer administration, the NDP government came in, it was a priority of ours. In fact, what we did emphasize was the public housing provisions of the NHA, because it was felt that this was one effective way of supplying affordable housing to people on the lower end of the income scale. It was thought that people in the average categories were looked after through the normal procedures of NHA, the normal procedures of CMHC. But people on the lower end of the income scale, it was felt needed more assistance than they were getting. And of course the construction — and it's history now, the construction of thousands of units of housing for elderly people and for families on low income have been the result. I can say that whole exercise involved a number of people and it involved a growth in MHRC. It involved the work and effort and cooperation of hundreds of contractors in Manitoba who did, I think, a good job in building, generally speaking, a high quality of structures for the provincial government and for MHRC.

There were other things that were done as well, but I guess public housing was one of the big thrusts, and there are other programs, home rehabilitation programs, assistance to co-ops, the whole neighbourhood improvement program thrust, and so on, whereby we attempted to help other segments in our society in these other ways.

So I think that there is agreement that government has a responsibility, federal and provincial, has some responsibility in ensuring that society has decent housing. I would make a comment that probably in the European countries you find more government involvement in housing than you find in North America. The reason for that is that many average people in Europe, whether you are talking about France or England or Holland or Germany, you'll find cannot afford housing and there tends to be more rental housing and there tends to be more government owned and particularly municipal government owned housing.

But I think that the rational approach to all of this for any government in office is to take a look at what exactly are the housing needs of the people of the Province of Manitoba. What are the housing needs, not only of the people on low incomes, but of the people on average incomes? What are the housing needs in the rural parts, in the north, in the city, because they do vary from one part of the province to another. Certainly northern housing is another kettle of fish entirely. You have got all kinds of other problems and indeed some of them almost seem insurmountable at times. But I think the rational approach dictates having full and adequate information on what the housing need is of the people. Now you might say, "Well, that is a judgmental thing." To some degree it is judgmental, but to some degree I don't think there is that much room for debate.

So I would hope that Manitoba Housing would be carrying on, and I suppose this is a question that I would have at some point, would be carrying on, attempting to assess what is the situation of the housing stock in the Province of Manitoba? I don't mean public housing stock, public and private, co-op, you know, what is the situation? What is our housing stock situation?

The census of Canada, the Canadian Census, has shown that the housing stock of Winnipeg, and I am talking all housing in Winnipeg, as among all the large cities of Canada tends to have a higher percentage of inadequate dwellings within it. I think the reason for this is in our history, because we had a period of rapid growth before the First World War, a lot of rather flimsy looking housing was built. You can see it in different parts of the city, and I think that stock has become very old, very antiquated, but it is nevertheless still there. This is why when the Federal Government conducts a census they can show that the City of Winnipeg has, of all the major cities in Canada, about the highest percentage of inadequate housing for its people. That is one element.

Another way of looking at it is as the Minister has done. You know, what is the vacancy rates? Because that is also another indicator of supply and demand.

The problem with housing is that you have got a market situation — and the vacancy rate is an indicator of a market situation — whereby in terms of the market there may be an excess supply. The problem is that some of the people who have a need for housing can't get into the market,

because you are only in the market if you have got the money. You are not in the poker game, you are not in the market, you are not in the auction, you are not in the business if you haven't

Our problem is that in the normal commercial market we probably have an oversupply of housing in Manitoba at this point, because if I take the Minister's figures as accurate, the vacancy rates are high and they are probably going to be higher, and he is probably right on. So I am not debating that and it is indicative of a supply and demand situation within the market. But our problem is that there are so many people, particularly elderly people and people on low incomes, that aren't the effective, as they say, the effective consumers and they are not as effective in the market. So you can have this anomaly where you might have in the normal commercial housing market in Manitoba and indeed in Canada an oversupply at some point in time, yet still have by simply driving around, looking around at the communities that we have, still have people living in pretty substandard housing, and having people living in what I would deem to be inadequate housing, housing that could be better. So that is the anomaly.

We have in the normal commercial market possibly too many houses for the market, but the point I am making, Mr. Chairman, is that the problem that we have, the dilemma that we have in ensuring that there is an adequate supply of housing for all Manitobans is that the market per se has some limitations and I suppose this is why historically the Federal Government got into it with NHA, and this is why the American Government has got into it, the American Government is in the housing field to a great extent. This is why you see European countries in it as well, because for one reason or other the market is not able to supply the needs of the total population. There are elements in the population that cannot utilize the market in order to satisfy their needs. So therefore you have government coming in and either building public housing or providing subsidies, because if you provide subsidies you, too, then are in effect somehow or other influencing the market, once you start supplying subsidies to would-be consumers.

So what I am advocating is that MHRC and the Minister keep an ongoing estimate of what is the real housing supply and demand situation in Manitoba, not just what is going on in the marketplace. Then to ask the second question, well, what do we do about it? How do we cope with wherever there are pockets of inadequate housing, wherever there are people who are inadequately housed?

There is no one answer. There is no one answer and in fact there is a series of answers. There is many many ways of coping with it. In some cases it is very difficult. In some cases it costs a lot of money. I am thinking of northern housing in particular, their cost of housing construction, heating, is extremely high. But nevertheless, the people of Manitoba should be housed in decent housing.

Perhaps I am philosophizing here because I am not sitting here pretending that I have all the answers, or that anyone probably has easy answers to it. I simply say by way of these opening remarks that the government and the housing corporation should be vigilant as to what the needs are and to continue to try to meet those needs.

Now the Minister has brought in some new programs and I would commend him on his program on mobile homes. I think there is a real need there and I think that, you know, I'm not totally against subsidizing elderly people for obtaining accommodations. I would debate, however, whether that's the most effective way all the time. Because in some cases, especially if you have a tight market, all that subsidy does is make the landlords rich and it doesn't do very much for the old folks, or the people on low incomes.

So, I think the Critical Home Repair Program is a good program and that should carry on because there is a need there to help, especially these very old dwellings that still have life in them, but really need some renovations and for some reason or other, are not getting the renovations. So I think that CHRP Program is excellent in that respect, plus the spinoff effects of creating jobs.

I would also say there's a new area and I am not sure whether this is covered in any of the new program thrusts, but there is a whole area of being able to provide the young family with an opportunity to get a house, to own their own homes, an opportunity for a lot of young people today, a lot of young families, is beyond their grasp. Many of them would like to get into older homes, homes that people have retired from, they are now living in apartment suites, they've sold their homes, and so on. But there's a problem of those people, the young people, the new families, even affording the down payment to get into these older homes, and yet these older homes perhaps in many ways are homes that the new families can afford much more easily than they can afford a home in a brand new subdivision.

So I think that there's a need, in fact when I was minister we were looking at this possibility of somehow or other helping the young family or whoever, a first time homeowner get into some of these older homes that are now being made available because people are retiring and leaving them, and I think that that's another element, another avenue of assistance that could be provided

to help people own their own homes, not these brand new ones in the subdivisions which are becoming very costly, but some of these smaller cottages, smaller bungalows that you see along Morley Avenue and in the Osborne area let's say of Winnipeg, and so on, and other parts of the City of Winnipeg. So I'm just using that as an example. There are so many, many avenues that government can use to help Manitobans obtain better housing, and sometimes it doesn't require that much money. When you're into public housing it is expensive, especially if you're paying the cost of fuel, because we know the cost of energy has sky-rocketed and this indeed, I am sure, is one of the main reasons why the government's looking at a \$32 million subsidy.

So, I made these as a few general remarks, I'm trying to be as positive as I can and saying that we should recognize that governments have this responsibility. We might argue over techniques, over methodology, over degree, but I think there is agreement that the Provincial Government should continue, in co-operation with the Federal Government to do whatever we can to help provide better housing for Manitobans. Now that's my general remarks. I don't know whether Mr. Parasiuk, my colleague from Transcona, wants to make some general opening remarks, and then after that I imagine we can go over these various items listed on the sheets here — staffing, and then into the other programs, AHOP, Urban Renewal, and so on.

**MR. CHAIRMAN:** The Member for Transcona,

**MR. PARASIUK:** Yes. I'll be making comments on my perception of the performance of the Housing Ministry over the last year, and I haven't had a chance, I wasn't here to hear the minister's opening remarks so I really won't comment on those. I'll have to look at Hansard on Monday and then I'll possibly come back and make a comment back on that. In that case, what I might do, I might just take a quick look at this and then I'll come back and make a comment on these remarks.

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

**MR. JOHNSTON:** . . . having to wait for Monday to Hansard. You'll have it and maybe you can comment Monday.

**MR. PARASIUK:** Well, I'll make some general comments now.

I think I was giving the minister the benefit of the doubt when we discussed the Economic Development Estimates, in that he had just taken on the responsibility not too long ago and I felt that things were in a state of flux, and I had expectations for next year, and I will see whether those expectations will be met. However, when it comes to Housing, the minister has been in the portfolio now since this government was elected, and last year I said that after seven months in office we were awaiting word from a somewhat mute minister on Housing at the time, regarding the Conservative government's Housing Program. And the minister came back and responded during the Estimates debate that he thought that the MHRC would be switching over from the traditional types of public housing to other types of programs. In fact, he indicated a whole set of programs that he thought the government would be undertaking.

Well, frankly a whole year passed, a whole year passed, with rent controls coming off, and nothing happening. Nothing happening with respect to a lot of projected eligible senior citizens housing. Nothing happening with respect to low income housing needs. While at the same time rent controls were coming off, while at the same time low income families were finding difficulty getting housing, and that's only been confirmed by studies by the City of Winnipeg, by the Social Planning Council on the critical housing need that exists for moderate and low income people. And it was only a few weeks ago really that the minister came out with two programs, which although I welcomed them at the time, frankly aren't nearly enough to deal with the need.

The Subsidy Program, for non-profit senior citizens housing, is a good program. 300 units per year is not enough; it clearly isn't enough in terms of the demographics of Manitoba and the number of people who are getting older each year, and who require housing. One other concern I have, if we're putting most of our eggs in that type of program, is it is very important to determine that the housing units that these senior citizens will occupy are indeed designed for senior citizens — that the units themselves are designed so that older people have bathroom fixtures designed for them. And if you go into MHRC Senior Citizens Housing, that's one of the good things about it — they're designed for senior citizens. Senior citizens can exist in the self-sufficiency units without very much help at all. They can exist by themselves, they have privacy but they also have common facilities. The common rooms are used by the senior citizens. They both want their privacy; sometimes they're lonely and they want the facility and the opportunity to socialize. That often isn't the case with most of the private apartment blocks where senior citizens presently rent apartments. They

live there in isolation, which certainly isn't splendid. Rather than living in splendid isolation, I would say that they live in something approaching decrepit isolation. Because they aren't designed, the common room facilities aren't there.

Now, one of the problems I have with the approach is that it'll probably utilize the best buy option that the Federal government is presently putting forward, where they're trying to bail out people who have overbuilt tax shelter housing, and I'll come back to that later.

The other program with respect to mobile homes was indicated last year in the Estimates when the Minister was talking. In his introductory statement last year, he indicated that the emphasis would be on some program with respect to mobile homes. It's been a full year since that time, and we have the program. Again I think it's somewhat late. I think we've lost a year, but at the same time I wonder why it is that the private sector, without the government being involved, was charging 15 and 16 percent interest. And why now they are willing to charge conventional rates if their risk is completely guaranteed by the government. So I think we need a bit more explanation later on on that type of program. I don't know if the Minister bargained sufficiently with the lending institutions to determine why they were charging 15 or 16 percent. Is that the way the private sector operates? Because 15 and 16 percent really smacks of usury in a very bad sense. I would have thought that rather than saying, well we'll underwrite you so that you aren't usurious, we should have bargained with them to see why they couldn't drop their rates down from 15 and 16 percent down to 11 and 12 percent. Surely the mobile home constitutes collateral.

Unless of course the financial institutions are saying something and believe in something that many other people believe in and that is that a mobile home may in fact be a risky investment in that it depreciates rather than appreciates. Now there's an argument on that, whether in fact mobile homes do appreciate or depreciate. The point is that the financial institutions, by their past lending practices, seem to have taken the idea that it depreciates. Otherwise they would have taken the home as security and they wouldn't have had to charge rates of 15 and 16 percent. But if they thought that the collateral depreciated, then they wanted a greater interest rate. So I think the Minister has to explain why the public has to get involved in a program to hold down interest rates when it appears as if the private sector may in fact have been ripping the public off.

But those are two minor programs, frankly. They aren't large programs, they don't deal with the need and the other programs that were really implied in the Minister's statement last year haven't come to pass at all. We haven't had the program of subsidies to the people wanting to live in private apartment units. That's what the Minister talked about last year but we don't have that option. I said last year that I didn't think that was too wise an option because there is a horrible tendency in that approach for the subsidy to really pay for the refinancing of the privately held apartment unit. I'm wondering in fact whether the absence of such a program, after the Minister indicated that he thought his government would use that approach, in fact relate, co-operate with the private sector, if the absence of such a program isn't an admission that it really would cost the public a lot more to pay for private sector refinancing of buildings. Because even the program that he's come up with with respect to senior citizens is for the provision of subsidies in non-profit senior citizen homes under the federal non-profit program.

I think that we have many gaps left and I assume that the Minister indicated that we are having a fairly high vacancy rate and that's something that I want to deal with specifically in that we certainly do have high vacancy rates for certain types of apartments and we certainly have incredibly low vacancy rates for other types of apartments.

There was an interesting article in the Homefinder of the Winnipeg Free Press on April 20th, 1979, on apartments and it was a number of reports on the Housing and Urban Development Association of Manitoba. They indicated that there are vacancy rates of 25 to 30 percent on newly constructed apartments. The point about these newly constructed apartments is that they rent at a rate which moderate and lower income people can't afford.

The Housing and Urban Development Association then goes on to say that it was the federal government who came up with their tax shelter program for housing investments that really threw off the traditional apartment economics and I agree with them. I think they really skewed the traditional apartment economics in such a way that we have an incredible mess in Canada, not just in Manitoba, but an incredible mess in Canada with a tremendous over-supply of over-priced somewhat badly constructed housing units in some instances which do not have a sufficient demand for them and yet at the same time we have a very high demand for lower-priced rental units and that hasn't been met. Traditionally that used to be met by non-profit entities and by the public sector constructing lower-priced rental units.

But the federal government has been very wary of these continuing subsidies, operating subsidies, on lower income rental units, either for families or senior citizens, and was trying to get out of them. This government I think accommodated their wishes, I think was somewhat in agreement with their approach.

If you look at the Minister's statements last year in the Estimates you will find that he was saying that these subsidy costs are high. But what no one has calculated is what the subsidy costs have been to the Canadian taxpayers — and I include the Manitoba taxpayers in that — when we've provided the capital cost write-off and deferral of paying of taxes on investments in shelter. We've had a tremendous number of multiple urban residential buildings built; I would think that the tax loss from this tax shelter program probably has been in the billions of dollars, and what that has done is created a situation where the public, in a sense, has subsidized wealthy doctors, wealthy lawyers or other people with excess income wanting to shelter it from paying taxes. They have sheltered these people from paying their fair taxes, because I think if we have a tax system based on the ability to pay the taxes are fair. We have provided this shelter for people but they have not built housing that has been needed. And that's the problem with that type of incentive program. We talked about incentives when we talked about the Minister's other department. We had an incentive program that really created houses that weren't wanted. That's why you have a 30 percent vacancy rate.

And obviously the market was working. Obviously, if you have a 30 percent vacancy rate or, on some of the latest constructed units a 70 percent vacancy rate, obviously the market is working there. The people don't want it; they don't need it. So why have that type of tax subsidy? Why have that type of inducement, in fact a federal government bribe to get people to build housing units that weren't needed while, at the same time, the federal government, with the encouragement of certain provincial governments, was crying poverty when it came to providing subsidies and developing programs, or continuing programs that were providing housing for which there was a demand and for which there still is a demand, namely lower priced housing for lower income people.

And that's something that I think the Minister has to explain why is that happening. Because when he comes out with statements about the fact that there is a high vacancy rate, I think he is misleading the public on that and I think what he is trying to do is create the impression that the need doesn't exist. I think that's very unfair to those people who in fact have a great need of housing.

I can agree with him that those people in the upper income echelons, who aren't necessarily renting the brand new tax shelter units being built in Fort Garry and St. James, they, in fact, have a pretty good situation and this HUDAM Report indicates that people are trying to compete, that they're trying to compete to try and get people into these apartments where we have a 25, 30, 35 percent vacancy rate. In fact, they say the vacancy rate, from Tom Smith's view — and this is the property manager with Smith Agency Limited — is as depressing as unemployment figures. I can appreciate his concern, but frankly his rates still, at \$300 a month, his rates still aren't sufficiently low to attract those people who need housing but can't afford it.

So I think that we have to really reassess past statements where we said that the subsidies that we've been spending on the poor were far too great, and I think we have to really look very carefully at the subsidies that we have been providing for the rich, because that's what the tax shelter program is; it is a subsidy to the rich. And it's a subsidy both ways; it's a subsidy to those people investing, because they get a tax dodge, and also if we follow the weird machinations of the federal government in their housing policy they now, through their Best Buy Program, are trying to get non-profit entities, co-op housing entities and other non-profit groups to purchase some of the tax shelter housing with high vacancy rates that were built because of the tax shelter program.

They are compounding their nonsense, and they're also saying to these groups, well, we might provide some subsidies for you if you purchase these over-priced unwanted units instead of building your own.

Now, I think the Minister has some explaining to do here, why this program hasn't been attacked by this government; why in fact he has been going along with a federal government that promised a whole set of changes last year. Indeed, in May of last year we were supposedly going to have a number of very definite changes to the federal Housing Program. The Minister was saying to us, "I am involved in negotiations with them. I can't tell you too much right now, but soon I will be able to come forward, I hope, with some very definite clear-cut programs with specific objectives."

I warned him at the time last year not to get too caught up with vague promises by the federal government. I didn't want him to be duped by the federal government, because it struck me that what the federal government was trying to do, it was trying to pass the buck for housing. It was trying to pass on its responsibility for housing onto the province. And the province, of course, didn't want any responsibility for housing and so we were caught in this stalemate and now all levels of government don't want to accept any responsibility for housing, in my estimation.

We have had a situation where the City has said "no" to its non-profit housing corporation.



So it is ducking the whole housing problem that exists in the City of Winnipeg, especially in the inner core. The province hasn't put pressure on the City to pick up that program. It said, well, we've got money there; we're willing to cost-share but weren't going to use any moral suasion whatsoever on the City to get them involved. If they want to pick up the program fine, if they don't, they don't. It hasn't done anything of its own to fill in the gap created, or the gap that continues because the City hasn't moved in that respect. Some of the infill housing that it's doing was in the works a long time ago, in terms of getting the land, because frankly the big problem always with infill housing was getting the supply of lots freed up from the City and work on that has been taking place for about five or six years.

I don't know whether in fact the Minister, in this statement here, says that more housing units were built in the last year in the inner city than were built in the previous two or three years. He might not have made it in this statement, but he certainly made it elsewhere and, frankly, that statement is incredibly misleading because the groundwork for the Inner City Housing Program started about four or five years ago, and it started with negotiations with the City to start freeing up some infill housing lots. And if in fact those negotiations are bearing fruit, I'm delighted because I think we needed a lot more infill housing lots downtown. We still have a big housing crisis in the downtown part of Winnipeg. The vacancy rates there are low. The last statistics on it — and I think the statistics probably will change — were 1.1 percent for certain parts of the downtown and 2.5 percent for the overall downtown area, and any changes in those statistics will not be because of an increased provision of low rental units, it will be because there has been an increase in the building of tax shelter housing downtown.

But I don't know if the Minister has conducted any of his own surveys to determine what the need for low rental housing is downtown. Does he have any statistics on the number of demolitions last year; the number of units that were condemned last year, the number of lower priced units taken out of the housing market in the downtown part of Winnipeg.

The statistics I have seen indicate 800 dwelling units were taken out of the housing market last year in the downtown part of Winnipeg. Those 800 were certainly not replaced, or not completely replaced, they probably weren't even 40 percent replaced by lower rental units. Any replacement that might have taken place would have been a couple of high priced hi-rise apartments.

So I think the minister has a great deal of explaining to do one year later as to what is the present state of the federal/provincial program with respect to the provision of housing, especially affordable housing for those people who need it — for the elderly, for single parents, for low income families, and for students. What is the state of the policies and what is the state of the programs and what's happening, because we were told one year ago that we would get clarity on this within two or three months; it's been a full year, and I don't think we have advanced much at all. So I throw it back to the minister to give us an updating on where we are one year later from the position that he put forward as to what his government would do and what he expected the federal government to do; it was last May 25th, 1978 that we started the Housing Estimates.

**MR. JOHNSTON:** Well, Mr. Chairman, I started a little bit towards the end. I'd like to tell the honourable member that it took us four months to fill the subsidized two-bedroom units in the Midland area; the units for the elderly and single parent families on Kennedy Street has also been very slow to fill.

When he comments about the figures that I gave in the House, I can supply this list, that in the two-year period we committed — and I must say, the member keeps saying that they were some of ours, but there's some of theirs and some of ours, but we committed to the core area of Winnipeg thirteen projects for 374 units in two years.

Now, I said when I was in the House, in eight years, the previous government committed and built 319 units, and there's the projects and the addresses.

The member brings up the subject about what I said last year; the reason for not going as fast into the private sector for units at the present time is that the government committed itself — in 1977 we spent \$22 million of the \$34 million allotted to us, and we were over this last year that there had been \$6 million allotted when we came to government, and in 2 months, we got the other \$18 million going. The one that didn't get going that would have made up the \$34 million was the Garry Street Project, and it was decided that that project would not go ahead.

The 1978 allotment of funds, under Section 43, the provincial government or Manitoba government was \$14 million, and we spent it; we used everything the federal government gave us in 1978.

Now, the units for the \$22 million will come onstream during 1978, and the \$14 million that was let in the fall of last year will be starting to come onstream in 1979-80, so when we made a commitment to build the units and use the money that the federal government supplied, we naturally would prefer to fill those units before we start going elsewhere. We made that commitment

also that we believe that there should be construction in housing in the core area of Winnipeg.

So, you know I have trouble trying to understand where we went wrong; we spent \$22 million on housing, which was a 1977 allotment to the province, pardon me \$34 million, and I explained why the other wasn't spent; and in 1978, the federal government allotted \$14 million to the Province of Manitoba and we spent it. I don't know what else we could do under the Section 43; we used it as it had previously been used to construct public and senior citizen housing. The 300 units that the member speaks of as not being enough, the member must remember that that 300 units is 900 units.

Under the Non-Profit Program of the federal government, all units will not necessarily be subsidized, there is no qualification for income in these units. The units will be rented on the basis of 25 percent of income and you will receive your subsidy according to your income if you're . . . and then you get to what they call the economic rent for the unit which is really the operating expense of operating the unit; and if your income is such that you would pay higher than that, you would pay according to your income up to what is regarded as the low market rent in that area. So just to sort of elaborate, if the economic rent was \$225.00 on that particular unit and the low market rent was \$250.00 in the area, you wouldn't pay any higher regardless of the \$250.00 regardless of your income. Now, we had some discussion with the federal government on that particular program; we said "Well, why not just go economic rent, because it's going to work out very close anyway, and it's going to mean a lot of bookkeeping," and they said, "No, we certainly wouldn't agree to a program where we would be in the position of subsidizing those people who can afford to pay the market rent." And that's understandable; we didn't quite agree, we didn't agree with it from the point of view of the amount of bookkeeping it's going to cost.

So that 300 units we're speaking of is, pardon me, is 900 units of subsidized accommodation which is 1800 units of total accommodation in three years, and there has been a tremendous growing demand that the Housing people or the governments start to take a look at those senior citizens who want to live in public housing for other reasons than income, or for other reasons other than need.

The member mentioned that the senior citizens' accommodation is suited to senior citizens, and they want to be there for comforts, for protection, security feeling; they want to be there with other people and they like very much to be in an area where they can be close to shopping, etcetera. So, you know, we think that that is a good federal government program that is going to, over a three-year period as far as we're concerned, put 1800 units of senior citizens' accommodation in the Province of Manitoba.

And again I say, we did not go to the private market subsidies, because you know, we were building and have been building our own units continually. I would like to say that we are doing a study at the present time in the Housing authority or Housing Corporation to determine what type of accommodation is available in the different areas according to the needs which are shown up by the requests on our waiting lists. We naturally would like to know, if we are going to take a look at units in an area, we want to know how many units we require in that area. And I don't want to keep repeating, and I won't again, is that we haven't moved that way because we have been building and we have been having some vacancy rates in our own units in the suburbs that are taking longer to fill; we finally fill them, but they take longer to fill in the outer areas than they do in the core area.

As mentioned, we have a situation where our turnovers are taking longer and our waiting lists are going down. We have approximately 12,802 units that will be built by probably the end of this season in 1979, and we have a turnover rate of 10 percent, and 10 percent means that there's going to be 1,200 units available in what we have now every year. I'm informed it's a 10 percent turnover in seniors' and 35 percent in family housing — I might say, that's a figure I should have known, I thought it was an average of 10 percent, which means we have units coming on the market all the time because of the units we own now.

The member mentions that there were 800 units taken out of Manitoba this year in the City of Winnipeg; we know there were 800 units taken out, but we don't know and we haven't been able to find out as yet and hopefully we can — we don't know how long they were out of commission. Many of those units had been condemned, or weren't being used long before they were taken out of the City of Winnipeg.

The situation of the single parent family that was mentioned in the . report that the honourable member mentioned is something that I would like to inform the committee, that the last 150 people to be accommodated in our public housing units in 1978 had only been on the waiting list for approximately four months. Of the 150, 102 were single parent families, and that 102 were single parent family women under 30. So, you know, we have been taking up a very large part of that demand.

I would like to say that, at this point, many of those people were living in good accommodation and in fine homes before they decided to separate. When we have applications coming into the Manitoba Housing Renewal Corporation saying, "I am going to separate from my husband, if you can find me accommodation." I don't think that we're running a Housing Program, we're getting into a social problem, but we have been able to accommodate a lot of those people because of the turnovers we've been having. You cannot, you cannot go completely by your applications; certainly you have applications coming in continually, but your applications, many of them, when you go to them and say, "Do you realize you're going to pay 25 percent of your income to live in this particular unit?" They say, "We didn't know that. If we've got to pay that much of our income we're going to go somewhere else." They don't realize the qualifications that are involved; and we have to have taken a program of upgrading our waiting list continually.

We have another situation on our waiting lists when we get the lists in. We say, we have accommodation for you; and they say, well, we don't want to live in Fort Garry. I know the Attorney-General doesn't like me to say that but they might say, we don't want to live in Fort Garry or St. James; we would like to live somewhere else. We'd say, well we just can't accommodate you there at the present time and they say, well, that's fine, we'll wait. We have that from senior citizens continually.

So yes, we have applications on file, but all of those applications are not necessarily people who qualify and certainly we have all kinds of situations where they don't want to be housed where we have accommodation available.

The 15 to 16 percent that was charged by the banks on mobile homes, the interest, and it was usually over a 15-year period, well I don't know of many houses that have been built in this province in the past while under the CMHC programs, that the banks didn't have a subsidy from government on those loans. We came along and we talked to them about the mobile homes and they said, well, we will give the same rates if it's a double-wide on a concrete foundation; and we said, well, no, that's not really good enough. We think the mobile homes single units, mobile homes are something that can be a benefit to families because they're priced right; they usually come furnished and we don't think that those things are as easy to move around as people think they are. The word "mobile" to those units at this time, I don't really think that it's an appropriate word because you can't move them unless you spend probably \$1,000 to move it.

So we negotiated with the banks. We said, "We will be — if the federal government won't — we will be the guarantor on the loan, but you must, you must own your rates and give a longer term." We also negotiated in such a way that you don't have to have that mobile home sitting on property that you own. It can be sitting in a park where you don't own the property. So we were able to negotiate that kind of a situation on the mobile homes.

One of the reasons that we didn't move quite as fast as we wanted to is, that if you're going to have the program you've got to have some place to put mobile homes. We know that there's space available in the rural areas for mobile homes but we didn't have any indication as to what might be available in the City of Winnipeg until the last couple of months and we do have an indication that there are applications to the City of Winnipeg for re-zoning for some mobile home parks.

They take longer than we would like to see them take but we think that there's going to be some movement on it very quickly. So I don't know: the member says we should have negotiated, but as I say the loans that banks give are guaranteed by CMHC.

I'd like to say that the federal government has no more Section 43. There is Section 44(b) money available, but it will have to be within the private sector. So that's why we are now doing the analysis of what may be available.

The federal government is, as I said, it has a tremendous subsidy involved, the same as we do, that \$32 million is half theirs — it's half ours and half theirs, it's \$17 million to the province and the member says that possibly we should be taking the money we waste or the federal government wastes, as the member said, by giving tax concessions in the Shelter Program and put it into the other. There was some indication that the federal government was going to discontinue the Shelter Program but they didn't do it by the dates that they were thinking of doing it. So the Shelter Program has brought on a lot of units. The Shelter Program has brought on a lot of units and we've had a freeing-up of units in the core area of Winnipeg; and the vacancy rate in the core area of Winnipeg will be close to 4 percent. I would be willing to say that when the CMHC results of their latest survey comes out, which we're expecting and hope to have by the Estimates so we would be accurate, will be in that area. Now we've been asking Mr. Falk if we could get them as soon as possible but he hasn't been able to give them to us as yet.

The indication that the government has not been building public housing and senior citizens' housing is one I just can't understand because we have been — we have the figures of the number that will be coming onstream this year and next year and we are going into the non-profit program.

Our maintenance costs as was mentioned, are becoming high. You know, that's not to say anything about the buildings; we have some bad buildings, everybody does, but that doesn't mean to say that they don't have to be taken care of. These buildings are all getting older. And if you are responsible for being a landlord you have to take care of them, especially if you're the government because the government is expected to keep things up to date. So we have had to take a major look at all our buildings and we had hoped to work through the Department of Government Services on this to see if they had some spare architects or engineers to give us a survey of the conditions of our buildings and what we could expect to have to pay to renovate them, or keep them up to date over the next five years.

The work that has been done by the Winnipeg Regional Housing Authority at this point indicates that we are going to have some fairly major costs in our maintenance of buildings over the next five years; but I can't give you a figure because I wouldn't be accurate on it; we don't have the figures as yet.

We have had a situation in Stonewall, Manitoba, I believe, where the senior citizen had to be moved out of the apartment, she was going to go through the floor, and the building was four years old and all the beams had to be replaced underneath the building. The contractor did it or else we probably would have sued him, but he fixed the building; but those are the types of things that you can run across. So our maintenance costs are moving up to a very high rapid pace.

I'm sorry the Member for Brandon had to leave for a minute but he spoke about the program for people to buy older homes. We have the second mortgage program at the present time and we said at that time, if it worked we would hope to expand it. Now, we can also take a look at that program, at the present time, from this point of view: If people are not going to be buying newer houses and more or less looking at older homes, we certainly are going to be flexible enough to be able to take a look at trying to have some program where we may be able to get them into older homes.

The report regarding the older part of Winnipeg, I can't accept it. I believe it was the Commissioner of Environment in the City of Winnipeg, Mr. Henderson said, he doesn't accept that report and neither do I. That report basically says that the area between Arlington Street and the Red River, from the Assiniboine River north to something like Inkster, is a slum area. Well, that's nonsense. If that's a slum area there's a lot of people should be awfully mad at that report because there's a lot of fine homes in that area and people are very proud of them. But you do have a bad core area when you go from, say Arlington Street — pardon me, Sherbrook Street — to the river and from the Assiniboine River up to the tracks, and that is your drastic and bad situation; and that's where we have been building; and that's where we have put our concentration.

The lower priced rental units are available, they are coming available and in my remarks I said we're having a ripple effect. We must be having a ripple effect; we're not getting as many applications and Mr. Silverman's crying for my resignation.

The fact that you can get a suite today in a brand new apartment block, with five months free rent or a microwave oven or something, all you have to do is read the review the honourable member has; and it's a drastic situation as somebody said, a terrible situation; but it is having a ripple effect on our accommodation.

We have got in Dauphin, Manitoba, 41 empty rooms as of last week, in a brand new building. We have applications there but they don't all qualify and we're going to have to look at maybe turning part of that building into non-profit, or something, if we can work with the federal government.

We have 18 empty suites in a new building at The Pas; and our problems are one of having to rely on the qualifications; and, quite frankly, the qualifications may have to change; they may very well have to change in the near future so that these units can be filled more readily than they have been.

I'm informed by my officials that we have 11 out of 12 vacant at Crane River, but I'm not surprised at that; maybe we shouldn't have built in Crane River, I don't know. Oh, CMHC built it in Crane River. So we have a study of the housing.

The Member for Brandon East mentions the study of the housing conditions, or a study of housing all over the province — or conditions all over the province. As he mentions, we have some fairly accurate figures — and they are very accurate figures — in the City of Winnipeg; but we don't have the best information on the province and this year the Board has been asked to approve the hiring of — is it two or three students — four students who would be experienced enough to be able to take on this job in the summer and try to get us some accurate information regarding accommodation in the rural areas.

I think I've touched on near everything. I might have missed a couple of questions that I was asked and I'll certainly try to answer them if I have to.

**MR. DEPUTY CHAIRMAN, Mr. Jim Galbraith (Dauphin):** The Honourable Member for Transcona.

**MR. PARASIUK:** Thank you, Mr. Chairperson. I've got, obviously, a number of comments I want to make in response to the Minister's statements. I want to bring up the matter of the Social Planning Council Report on the inner core. I don't think it can be dismissed just by saying that — and I don't recall the term "slum area" being used for that large an area. . .

**MR. JOHNSTON:** Excuse me. Mr. Chairman, that report did not refer to that large a slum area. It was a report — I don't recall the name of the report, but it was in the Free Press and Tribune with pictures of bad houses and what have you. I'm not sure of the name of the report. Does anybody. . . ? It was done by some consultant. —(Interjection)— Institute of Urban Studies?

**MR. PARASIUK:** The point is that this Social Planning Council actually did a survey. They did a survey and I don't know if the minister's had an opportunity to read it or if his staff have read it, I don't have it with me here; I came in late and I'll frankly mention it and get back to it again on Monday because I do assume that we'll be back on this on Monday. I was a bit surprised and I have some questions about that report myself, in that I felt that they downplayed the housing requirements of elderly people and at the same time they highlighted the housing requirements of low income families, especially single parents. And they were saying that whether in fact these people have applied or not — because I think there is a lot of ignorance as to the ways in which one goes about applying for low rental housing and there is ignorance as to whether in fact one qualifies — I don't know if there is that much advertising, as such done to promote knowledge in the availability of these programs. Well, just as a specific question: How big is the advertising budget of MHRC?

**MR. JOHNSTON:** I'm informed that the advertising for rentals is in each housing authority's budget, because I know we don't put ads in the paper saying come and apply for public housing but the advertising is left up to the individual housing authorities, and I would have to ask the staff to jot that down and probably get a figure for you.

Our advertising last year was basically involved in Inkster Park or Meadows West, as we call it now. I would have to get you a figure on what that cost. And I might say we are going to be putting ads in the paper on that. We have had small ads up until now but we're going to put a larger ad in to try and see if we can get some more activity in that particular development.

**MR. PARASIUK:** The reason why I asked that specific question, and you know you can't give a specific answer, is that when we were discussing the Economic Development Department's Estimates there is a \$6 million Manitoba DREE Sub-Agreement. A small portion will be incentive grants to companies and the advertising involved there is something in the order of \$120,000 and that excludes promotional meetings that are going to be held throughout the Manitoba community to ensure that that program is properly utilized.

So what's happening there is that, you know, you are going out and there is an Outreach Program to the business community. You're going out and you're saying, we have this program. It may be of use to you. Make use of it and we are doing that.

And then I can recall the tension that arose occasionally when my colleague, the Member for Burrows, would raise a point about this being an Assistance Program. It is a public assistance program. We called it a welfare program and people bristled at that, but it is a welfare program; it is an assistance program. This housing program is a public assistance program, as well, and it's meeting a need. And we were talking about whether in fact there existed a need within the private sector, the private business community, and there may be some differences but we did realize that there was a gap in venture capital. There are different ways in which that gap might be filled. There were disadvantages that Manitoba firms had against big coanies, against eastern companies, against multi-nationals. So I guess that was the rationale for providing that type of public assistance to meet that need.

And we're quite prepared as a government, to go out and advertise that and to promote it, to outreach to people and to say, here is a program; let's use it. However, frankly, you receive a lot of calls from people about housing assistance, and in many instances they don't qualify. But they don't know where to turn to, and I think that the Outreach Program that we have, with respect to a large program ; we have a \$20 million program, a \$20 million public housing program. Isn't that good? I don't know what it was like under the previous administration. I would think that it probably wasn't much different than it is right now. I would think there would be a hesitancy possibly, to go out and tell the public that there is a program for which, if they are eligible, they can qualify. Because the Social Planning Council survey indicated that a very large number of people — and

I can't remember the exact figures but it was in the thousands 15,000 rings a bell, I will have that figure back on Monday — it was something in the order of 15,000 people were living in substandard housing which they couldn't afford in the City of Winnipeg. It was housing that they couldn't afford because they were paying more than 25 percent of their gross income for that housing, and it was housing that was substandard according to some fairly simple criteria laid down in their survey.

So if, in fact, that is the objective need and if it's possible in some way to establish some objective need, then I think it's important for the government to determine whether in fact that need can be met. And that's something that I think the government has to consider, whether in fact the Housing Program is something that exists in a very passive way and if people are wise enough to take advantage of it they will, or if indeed it's a program that exists to fill need that is really out there. So it's important then, for us to really try and determine what that need is and then to see what can be done to try and fill it, if that's our objective. Or if our objective is to sort of pull back on our expenditures in that area, then of course we will be very passive, we will be very passive.

So I have not been able to determine from the Minister what our approach there is because that report was quite serious, and it's only the first of a number that they intend to carry out. I would have thought that it would have been, I think, a good thing for the staff of MHRC to call in the people from the Social Planning Council who did the report, have meetings with them because if they are conducting these surveys, it's a wise thing. Now, maybe they have done that, and I hope they have. I'd like to ask the Minister specifically whether there have been meetings between MHRC and the Social Planning Council with respect to the study, in the first place the formulation of the study, and if there has been any meetings with respect to the findings of the study.

**MR. JOHNSTON:** I think we will touch on this Monday. We have had meetings with the Social Planning Council since the report came out. We met with them. It was on one occasion, but it was about a two-hour meeting right after the report came in and we had discussion with them on it.

As a matter of fact, we had explained to them the turnovers that we have had and as I mentioned to the honourable member, the last 150 units filled in 1978 were all single-parent families that had only been on our waiting list for four months.

Now, I must say to the member that we have not been advertising in the paper and we know the need is out there and we have been fulfilling and taking care of a lot of that need. We have more units coming onstream all the time.

As I said I would be prepared, probably later on or Monday, when we get into statistics on public housing along here, to give him the actual numbers and when they're coming onstream, plus our turnover rate. I'd like to tell you and I'd say most of our public housing in Winnipeg certainly is single-parent families and quite young. As I said, they were 102 out of 150 under 30.

Now, that doesn't mean to say we won't go looking for the need, because I said that the province or the MHRC would build and respond to need and you know the need is in the core area and that's where we have been going. Maybe not as many as we could, but we will have to do it under the Non-Profit Program from now on, and we have made our commitment on the Non-Profit Program for the senior citizens. We certainly have to have some policy on what we're going to do in the public housing area, as far as the Non-Profit Program is concerned in the future.

**MR. PARASIUK:** We will get back to some of these points on Monday. I'd like to just stay in general terms. What the Minister is indicating to us is that the federal government has pulled out of Section 43; they really don't have that any more. Section 44(a) moneys are for the private sector. We're talking about non-profit units, and that seems to be the thrust of the housing program in the future will be an emphasis on non-profit housing development. I'm not necessarily against that in that I think people had been talking about some balance between the various sectors: the private sector, the public sector and people used to call it the "third" sector or the non-profit sector.

And I think that there existed in the past a fairly substantial non-profit involvement with some MHRC housing if, in fact, you got non-profit groups sponsoring MHRC housing or Section 43 housing.

Now, the problem I have with the federal program if in fact we're putting a lot of our eggs in that particular basket, is that the way it operates right now 10 percent equity has to be raised by the non-profit entity and the province has come up with a program whereby the requirement by the non-profit entity would be 5 percent. Isn't that the program that you've come up with?

**MR. JOHNSTON:** Yes.

**MR. PARASIUK:** The problem I have there is that I have talked to some of the non-profit groups

that were quite prepared and wanted to sponsor a senior citizens' project that would be financed by MHRC. They had enthusiasm; they had interest; they had manpower; they would have provided a lot of extra services within that project. It struck me that one of the weaknesses of past MHRC housing was the qualifications criteria. What they did, they limited the people who would live in that project to low income families. And that meant that a lot of people within a community who might want to be part of that project, or live in it, were disqualified from living in it even though they were prepared to pay full recovery rental.

Now, what has happened is that it strikes me the federal government has taken a look at that and said, we're going to change that; we're going to correct that anomaly; we're going to build units that both wealthier senior citizens and those who aren't so wealthy can live in together, which makes a lot of sense, especially if you're talking about providing these types of projects in communities, neighbourhoods. You don't want to break up neighbourhoods. You don't want to have people move to — especially older people — have to move to another neighbourhood away from their children, away from their family, away from their friends, in order to live in senior citizens' housing.

But at the same time it strikes me that there is a hooker in there, and that's that these non-profit groups have to somehow raise 10 percent equity. Because when you start talking about a 60-unit project, and I don't know what your average cost per unit is — I don't know, it might be something in the order of \$20,000 or \$30,000 — so if that's the case, you are talking about raising \$150,000.00. A church group is going to raise \$150,000 for a senior citizens' project, plus be the group that operates it? Is that the way the Non-profit Housing Program works? Because I have got some difficulty with it so I would like an explanation of that from the Minister.

Secondly, I would like to ask him, since we are into the calendar year, how many non-profit projects have been committed, because groups that I have talked to that were talking to the federal government regarding non-profit housing projects, have not had their applications approved and every group I have talked to is in that stage right now. So is there any movement on the non-profit housing program or is it a type of facade, because we were told a year ago that there would be movement in the non-profit housing program.

**MR. JOHNSTON:** Well, the member mentioned that they would have to find 10 percent. They would have to find 5 percent; the provincial government will put in, and we have taken the attitude or the policy that the non-profit organization must be serious about the need for this particular unit and be in a position to try and raise 5 percent of the money. We don't think that that's an unreasonable request. If they want to go on 100 percent financing, the federal government has a program where they can have 100 percent financing but the input of the federal government will be a write down to an interest rate of 2 percent instead of 1 percent. We will not be involved in subsidies in those units. If they can actually show a complete need or something of that nature, we would be prepared to work with them but we have not. You know, if we don't have some participation by the provincial government, we will have absolutely no control of how many are built. The member may say we should put in the whole 10 percent but we have decided that the non-profit organization — it can be a city, it can be a town, it can be anybody — but they must raise 5 percent.

We also have the problem, and it's not a nice one to talk about but we have it, that many of these non-profit senior citizens' housing programs are not developed by need but developed in some developer's blueprints and then he goes out and says to somebody, look, you can build this building; we will build it for you and turn it over to you and you can run it. On many occasions it is the case of having a nice name up in front, this is so and so's non-profit senior citizens thing, but there has been absolutely no research done on it other than somebody going out and saying, look, we would like to build this for you in your area. That's just about what happens and we don't want to be involved in those type of programs.

The other thing is CMHC at the present time has something like 3,500 applications on file for non-profit housing, requests for 3,500 units. You know, there is no demand, and I say to the honourable gentlemen right here and now, there is not that large a demand and there has to be study done according to need in the area or we end up just having more units than we want to have and we've got a very large vacancy rate at the present time. There is nothing to stop an apartment block owner at the present time from designating his apartment block for senior citizens, which is being done quite often. But we feel that there should be 5 percent.

Now, to answer the question of the honourable member as to which ones will be built, I think — in fact I know that my staff were meeting with CMHC either Monday or Friday of last week that they met with them on this particular subject to start to discuss the number of units that we were participating in and what we could agree on. We have agreed we want to go to Anola, Roblin is going to be built but not particularly under this program. I want to explain to the honourable

gentlemen that we can build under this program; we can get the write down or the guarantees from the federal government as CMHC, and Roblin is going to be built. They will allow us to move on 100 units on our own at this particular time. Roblin will be built; Virden; Carman will be under the program, it is just opening and we had an agreement with CMHC that Carman would come under the program although the program hadn't been finalized when that started. It was just when the legislation was coming out. Pilot Mound is another one that we are recommending. We have to come to agreement with the federal government but we have to take a look at the rural areas of Manitoba. You know, there is probably more legitimate demand in the rural areas for senior citizens' housing right now than there is in Winnipeg from the point of view of space. There is space in Winnipeg; but it's certainly tight in the rural areas is what we found.

I would like to be able to say which ones are going ahead. Well, the member mentioned in the House, Park Manor in Transcona and I don't bring that up because of the member but we are having discussions with them.

**MR. EVANS:** That's the enriched senior citizens' housing?

**MR. JOHNSTON:** No, this would be non-profit in Transcona that we are discussing, adjacent to the elderly persons. Well, they are so close it could be. We don't have any involvement in the enrichment; that's the Minister of Health's Department.

**MR. CHAIRMAN, Mr. Driedger:** The Member for St. Vital.

**MR. WALDING:** Thank you, Mr. Chairman. The Minister, when speaking about MHRC in the House a little while ago mentioned the matter of insurance on the buildings on the sites and that a certain amount of money had been saved. I wonder if he could give me any details about the purchase of insurance on the buildings.

**MR. JOHNSTON:** Our 1978 premium on insurance was \$508,819.69. Our premium, when we went out to tender and we have purchased the insurance and this is the total for the province — the total for the province is \$222,168.76. Had we purchased the insurance, the projected 1979 premium at 1978 rates, we would have paid \$576,674.89, if we had purchased under the 1978 rates. We hired at MHRC a man who is retired from the insurance business to analyze the type of insurance that we should have on all our buildings. He reported to a committee of the board who was designated to work with him on the insurance; he reported to the Deputy and the Manager. We tendered the insurance on the basis of one package for the City of Winnipeg. I might say that we probably would have saved more money if we would have made the province one whole package but I'm not going to say that it's my credit; I overruled or — I didn't overrule, I informed the board that I would not agree to a recommendation to take the insurance on the rural areas away from the rural agents. So we asked the housing authorities to quote in the local areas.

There were approximately 20, I think, companies that made application — 16 companies made application to quote on the insurance and it was reduced to nine on the basis of being able to handle that amount of insurance after the applications were examined: Marsh and McLellan; Johnson and Higgins, Willis Faber Ltd.; Tomenson, Saunders, Whitehead Ltd. Now this is Winnipeg, pardon me. I can give you the figures. Marsh and McLellan were low at .43 per hundred at \$83,059 — .043 per hundred. Johnson and Higgins were next at .517 per hundred for \$99,864.00. Tomenson, Sanders, Whitehead Ltd., .054, \$104,307.00. I can give the member this; it works down to as far as .09, \$173,844.00.

Outside of Winnipeg, each housing authority arranged through local agents for insurance coverage to specifications. We do not have the details of the rates quoted in each individual community and we have asked for that. We have asked each housing authority to send in the quotations to us. However, the majority of insurance was placed with the Manitoba Public Insurance Corporation at a rate of 15 cents per hundred. In some communities, a rate of 14 cents was received through the Royal Insurance Group. I am informed, and we have these figures if the honourable member wants them, MPIC last year was 24 cents to 26 cents in the rural areas.

**MR. WALDING:** Can I ask the Minister whether the coverage requested for 1979 was the same as for 1978.

**MR. JOHNSTON:** We have more coverage than we had in 1978. The insurance adviser that we had in gave us the recommendations on the coverage that we should have and I think — I was going to mention this but I can get it exact — last year we had \$2,500 deductible on most business; \$5,000 deductible on some; and this year it is \$2,500 deductible on all buildings. We have a better



coverage on our buildings at the present time.

**MR. WALDING:** The reason I asked was that the Minister has said that his projected cost was \$576,000 this year as against \$508,000.00. Is that on the basis of more sites covered or a higher rate, and how does he project a higher amount from MPIC when they are offering coverage at 15 cents this year as against 24 cents last year? Would you not project it to be 60 percent of the cost?

**MR. JOHNSTON:** If we hadn't called public tenders, who knows what rate it would be. We do know that if we would have purchased from MPIC without tendering, at the same rates that we had the previous year, we would have been paying more money.

**MR. WALDING:** Was that because of more sites . . .

**MR. JOHNSTON:** Well, yes, there were more sites came onstream and higher values.

**MR. WALDING:** Can the minister inform us as to whether MPIC tendered on the Winnipeg contract?

**MR. JOHNSTON:** I'm informed that MPIC quoted on the Winnipeg contract. Well, I should have continued reading it all and as I said I'd supply it to the honourable member.

MPIC came in Manitoba Public Insurance Corporation on the Winnipeg contract at .073, \$141,007, I'm wondering how they could do that when the year before they were up around 16 cents in Winnipeg?

**MR. WALDING:** Is the minister saying they went from 16 cents to 73 cents?

**MR. JOHNSTON:** No, from 16 cents to .073 per hundred. . . the previous was approximately 16 cents.

**MR. WALDING:** Did Autopac bid in their own name or through a broker?

**MR. JOHNSTON:** The Manitoba Public Insurance Corporation bid in their own name. They also supplied a bid through Oldfield Kirby and Gardner which was identical.

**MR. WALDING:** The bids that the department received from the rural areas, were those bid by MPIC in their own name, or by brokers who later put . . .?

**MR. JOHNSTON:** They were bid through the local agents in the rural communities. We did not accept bids from the brokers and the rural ie; it would have been completely unfair to take that insurance coverage away from the local agents in the country. The policies and the premiums are not that big in some of the units, but it is part of the business that's done in the country; so the Housing authorities were requested to get bids from their rural agents and place their insurance to the lowest bidder. Now, an agent could send in quotes on several insurance companies. We have asked that all those come into us and imaginee we have some in by now, but I'm informed they are not all in as yet.

**MR. WALDING:** Can the minister just inform the committee about the tendering procedure? Was it by public tender or by invitation?

**MR. JOHNSTON:** As I mentioned, there was 20 people, or 16 people applied out of a public tender call. The analyzation of the 16 names which was done with the Committee of our Board and the broker, or the advisor that we hired, our consultant, there were 9 names chosen from there as to who we believed could handle that size of a policy — and believe me, not everybody can — and those 9 people were asked to submit bids; Manitoba Public Insurance Company being one of them, and they quoted also through Oldfield Kirby and Gardner.

**MR. WALDING:** Mr. Chairman, as far as the rural bids were concerned, did MPIC bid on them directly?

**MR. JOHNSTON:** No, Mr. Chairman, I said that. The MPIC sells their coverage, or their insurance premiums, or their insurance business through agents, rural agents, and the agents may handle

six companies: MPIC, Royal, or anyone they like. The agent was the one who quoted on the rural buildings, and the business was placed through an agent and if the MPIC was lowest in the country, they got it through an agent.

**MR. CHAIRMAN:** Order, please. Gentlemen, in accordance with Rule 19(2), the hour being 4.30 p.m., I'm interrupting proceedings. Is it agreed that Committee rise? (Agreed.)

### SUPPLY — CIVIL SERVICE

**MR. CHAIRMAN, Mr. Abe Kovnats, (Radisson):** I would draw the honourable members' attention to the gallery on my right, where we have 54 exchange students from Notre Dame De Pitie. They are the guests of the Ecole Precieux-Sang, they are Grade 6 students. The Ecole Precieux-Sang is in the constituency of the Honourable Member for St. Boniface, and under the direction of Mrs. Jean Ladeville.

I would ask the honourable members to join me in welcoming this group.

I would draw the honourable members' attention to Page 17 of the main Estimates, Department Civil Service. We are on Resolution 24, Item (b) Other Expenditures.

The Honourable Member for St. Johns.

**MR. CHERNIACK:** Thank you, Mr. Chairman. When we adjourned for the lunch hour at 12:30, the Member for Rock Lake was speaking, and I pointed out that he had ventured very far afield from the matter before us. Indeed he was talking about a pension given to the Chairman of Hydro, which had nothing whatsoever to do with the principle involved. I just want to say that I believe I negotiated that contract and that I have no regrets about it.

More important, Mr. Chairman, I took advantage of the lunch hour to get copies of Orders-in-Council dealing with appointments to the Civil Service Commission and I want to refer to them.

On September 10, 1969, by Order-in-Council No. 1226 of '69, Chris Schubert was appointed member and chairman of the Civil Service Commission effective the 10th day of September, 1969. It provides that he be required to devote to the business of the Commission only such part of his time as is necessary for attendance of meetings and he was to be paid \$25 for each meeting of one-half day or less, together with \$500, or \$1,500 whichever is smaller.

And now I see that there is provision for payment in the Civil Service for an annual fee plus a payment for each meeting. As a lawyer, I'm bound to point out that it doesn't say whether or not he has to attend the meeting, but it says for each meeting.

Next Order-in-Council, Mr. Chairman, is H35 passed in 1973 noting that Merlin B. Newton, a member of the Civil Service Commission, is resigning as of August 31, 1973, and the Order-in-Council then provides that effective on and from and after the 1st day of September, 1973, Douglas Alfred Duncan be appointed as a member of the Civil Service Commission. Then there is provision made for his salary scale.

Mr. Chairman, I draw your attention, there is no termination date for his appointment.

The next one I want to refer to is Order-in-Council 1265 74, wherein one, Hazel Allen, was appointed a member of the Civil Service Commission effective the 11th day of December, 1974. There is provision for remuneration, there is no termination date.

Next I want to refer to Order-in-Council No. 130 of 1976, wherein one, John William Pankiw — I must part for a moment to say that he is person I haven't seen for many years but for whom I have great respect from our university days which is quite a long time ago. I go back to the Order-in-Council, Mr. Chairman, to say that he was appointed a member effective the 9th day of February, 1976 and there is no termination date.

Then I go to Order-in-Council No. 1098, on October 26, 1977 by Order-in-Council signed by Norma L. Price, the Minister responsible for The Civil Service Act, signed by S. R. Lyon, President of the Executive Council on October 26, 1977. That date strikes a cord, Mr. Chairman, I'm not sure just what that date represents but it's a date that sounds familiar. However on that date, October 26, 1977 — It must have been after Mr. Lyon fired three Deputy Ministers, because at the time he fired the Deputy Ministers he didn't have the authority of President of the Council.

However on October 26, 1977 the Order-in-Council provides that Merlin Borden Newton be appointed a member of the Civil Service Commission for a period commencing — the O/C reads commencing on October 26, 1977. I do commend Mr. Newton as being a fine person but I would really think that his term would have commenced on October 26, 1977 and terminating on March 31, 1978. This is, Mr. Chairman, is an apparent departure from previous O/Cs, and I believe is the first time I've noticed, is contrary to the spirit of The Civil Service Act. Because here Mr. Newton was appointed for a limited period from October 26, 1977 to March 31, 1978.

The next section of that O/C provides that Shirley Bradshaw and Rod O. A. Hunter be appointed members of the Civil Service Commission for a period commencing on October 26, 1977 and terminating October 31, 1978. I draw to your attention that the term for Shirley Bradshaw and Rod Hunter was for a period much greater than that of Merlin Newton.

Then the O/C provides that the designation of Chris Schubert as Chairman be revoked, that Merlin Newton be designated as Chairman, that Douglas Alfred Duncan be no longer required to devote his full time to the business of the Civil Service Commission, that Merlin Newton replaced Duncan as full-time member of the Civil Service Commission and be required to devote his full time, that all members of the Civil Service Commission other than Newton and Bradshaw be paid a certain remuneration.

Mr. Chairman, I want to pause to make some comments about this O.C. Firstly, it took a lot of thought preceding October 26th, 1977 to figure out how to get rid of Duncan. The reason I say that, is that I believe that as was done by the then Premier in the case of Deputy Ministers, whom he had a right to discharge, he would have liked to have discharged Duncan in the same way. But that he must have been advised, and I'm assuming, that he must have been advised that he had no right whatsoever to discharge or remove Duncan as a member of the Commission, but that he did have a right to remove him as the full-time commissioner and he so did.

Mr. Chairman, some more comments. We heard earlier this morning, reference to politicization of the Board of Commission, and I must say that I know Rod Hunter well — I have a great deal of respect for him — I do not want to accuse him of being party to politicization and I want to state that I do believe in his integrity. But, Mr. Chairman, I must question in my own mind, why his term was limited to terminate on October 31st, 1978?

Mr. Chairman, I believe that in his case and that of Shirley Bradshaw, who is a long-time respected, competent civil servant, that there was no excuse that I could think of for a termination date, but it's there; and what that does to Rod Hunter, to Shirley Bradshaw and in that case, to Merlin Newton, who is already a retired person brought out of retirement, is put on them the cloud, or may I say the sort of Damocles that would hang over them in the event that they wished for and hoped for an extension or renewal of their appointment. And that makes the Civil Service Commission the same kind of a board, subject to political control as other boards of government about which I have no objection, Mr. Chairman.

I want to tell you that it is my recollection, and I have not checked it out, that when I was Minister for Manitoba Hydro, I think I found that there were definite limited terms of appointment for members of the Board of Directors of Hydro, and I think that they were three-year terms and that a certain number were appointed in each year for three years, so that there would continuity. And now I must tell the Honourable, the Minister who referred to expecting members to turn up for meetings, that in the case of Manitoba Hydro having been informed by the then Chairman of the Board of the attendance record of Boards of Directors, I called a person Duncan Jessiman, and I told him that his attendance was poor and I asked him — according to the records the poorest of all — and I invited him to resign, since his term had now expired in order to enable the renewal of a long-standing respected member of the Board.

Because of the fact that I wanted this other member to continue if I could, and also because of his bad attendance record relative to the other members of the board, and he refused to resign. I make that point only to tell the Minister — I don't think it's enough to just appoint a person. I think one has the right and an obligation to review the participation, the role they play after their appointment.

I want to say further then, that this O/C that I've referred to now, passed on October 26th, 1977, for the first time relegated the board of the Civil Service Commissioners to the same level as other boards of government, and that is contrary to the spirit of the Act, contrary to the principle of independence, because it is not only a question of tenure, it is also a question that independence is related to the tenure. If you're counting on a job you've been given, I'm now thinking of a full-time person or even of a part-time person, and you would like to see it renewed and know full well that the Cabinet of the government of the day controls whether or not your appointment will be renewed. You can not help but be influenced by the knowledge that this is the case, and I say that is bad, and I have to compliment the people who drafted the legislation originally, to determine that a full-time commissioner, a chairman of the board, would be subject to review and revocation by Cabinet but not the appointment of the commissioner. All they can do is decide who shall be chairman. All they can do is to decide who will be full-time and who will not be full-time. But when it comes to the appointment of a commissioner, then like a judge, like the Provincial Auditor, like the Ombudsman, they should have under the Act, still have under the Act, the knowledge and security of feeling that they can be independent of their judgment, independent of government and be there to be removed only for just cause, and then only by 2/3 majority of the Legislature.

It has been suggested to me that the Conservatives now switched around on October 26th, 1977

and damaged and undermined the independence that was planned for the Civil Service Commission. And that's why this morning I said, Mr. Chairman, I don't want to appear to exaggerate the importance of what we learned today. But Mr. Chairman, no matter how softly I say it, it would be difficult to exaggerate the importance of what we learned today. The Minister said, all this was done by Order-in-Council. That's true. He also said Orders-in-Council are public. That's almost true. They're not always public, but they're usually public. But whether they were public and whether we should have seen it and didn't, or whether we saw it and didn't understand the essence of it, in no way detracts from the fact that this government deliberately, with forethought and with plan and with design, changed the principle and the concept of the Act and the independence that was in the Act appeared to have been guaranteed.

Too, the people of Manitoba that the Civil Service Commission would not be subject to any review concern or political consideration for renewal or extension of term and they did it and I have to say that they did it with full knowledge of what they were doing, because firstly, they had to seek around to discover that there were vacancies in the Board that made it possible to appoint new people, so that Mr. Duncan could be set aside without being removed, which they couldn't do. And they then, I believe, went a little further and said, "Let's keep our fingers on these people." They can't fire Hazel Allen, they can't fire Doug Duncan; that's obvious, they're still debating with his lawyers as to what the situation is with him, they can't fire John Pankiw, but they can fire others, — I have to correct that — they can't fire them. They can only refuse to extend their reappointment. And that's bad, that's sick, that's dangerous, and I now say it in the full sense of what I believe to be the few roles which legislatures in the past in their wisdom determine should be beyond the control or review of the Cabinet, except for cause, and even then, subject to reporting to the Legislature and dealing with them.

It has been suggested to me that these members are now on the Boards, subject to good behaviour, and that phrase "good behaviour" means good behaviour in the minds only of the Cabinet of Manitoba, of the Executive Council. No judge has the right to review whether it's good behaviour; no Committee of Legislature can determine that; no Legislature can determine that. And it's been suggested to me that by a telephone call and a report of what takes place during a telephone call, they can then justify in their own minds and not even to bother to calling them to meetings anymore, even during the term that is appointed to them.

Mr. Chairman, I go on with my review of O/Cs. Number 643, passed in June 1978, appointed Rod Hunter as Chairman of the Civil Service Commission, effective July 1st. You may recall that he has already been appointed a member of the Board and has already — but for a limited period of time, up to October 31st of 1978, I believe, yes — but now he has been appointed Chairman. And, Mr. Robert Brown, the person whose name brought out all this information that we knew nothing about, and the Member for Logan clearly knew nothing about it and I must depart again to make the point that the Member for Logan was only saying, if you could do something for Mr. Brown after taking him off the full-time, why didn't you do something for Mr. Duncan, re-employ him, the way you did Mr. Brown? That's the only point he was making, but the Minister, in all integrity and forthrightness, told us what had happened, and that's how we discovered it.

I come back to Order-in-Council 643, passed June 28th, 1978. Mr. Robert Brown was appointed a full-time member for a period of three months effective July 1, 1978, at a certain stated salary. What happened next? 643, oh, I'm sorry. 888, I'm sorry, I had the number wrong. O/C No. 888 of 20th of September, 1978, bearing in mind as they say, that Robert Brown had been appointed on July 1st, 1978, for a three-month period; in September 20th, 1978, the Minister, who is present now, the Minister of Tourism, then Minister responsible for the Civil Service Act, signed an Order-in-Council, that the appointment of Robert Brown be extended to December 31st, 1978.

Obviously his behaviour was okay. Obviously, she and the Executive Council were quite satisfied that however he performed his duties, it was sufficiently measured up to her requirements, good enough to renew it. But, Mr. Chairman, but it was only extended to December 31, 1978. There's that sort of Damocles that's still hanging there, it's just been tightened, the thread or the string has been tightened for a three-month period. It's still there though, because the then-minister and her Cabinet retained control over what happened to Robert Brown after December 31, 1978.

So then we move along with history to O/C 957 passed on October 11, 1978. What do we find there? We find that the appointment of Chris Schubert expired on September 9, 1978. I'm assuming, Mr. Chairman, without knowing and I haven't quite seen how that came about, but I'm assuming

that he reached retirement age. They had removed him as chairman, but I believe now that his retirement age probably caught up with him and I'm not making an issue of that. So what did they do — they decided to appoint Paul Hart as Member of the Civil Service Commission. Mr. Hart was then appointed for a period commencing October 4, 1978 to October 4, 1979, Mr. Chairman; he's still okay he cannot be fired except for just cause. He ; he's still all right; can be de-hired but that would be as of October 4, 1979. That's my interpretation, my legal interpretation. It may well be that since I'm not being paid for my legal advice, it may not be correct, but certainly it seems to me that Paul Hart is now safe. How? As a Member of the Commission until October 4, 1979.

Y O/C No. 1006 passed on October 25, 1978, we find that Shirley Bradshaw and Rod Hunter came up for consideration. Their date was due to expire in six days. According to the O/C, on October 31, 1978, the axe would fall, the term would have expired. But the then-minister, whose name is, well, it's the present minister, if I can read his signature, which looks like MacMaster, signed the O/C saying that, whereas Bradshaw and Hunter were appointed for a term expiring October 31, 1978 and Hunter was appointed chairman effective July 1, 1978. Then let me read this wording — And, Mr. Chairman, you know, lawyers put wording into documents but there's history, tradition and thought behind it many times — listen to these words: And whereas it is deemed advisable to extend the appointments of Miss Shirley Bradshaw and Mr. Rod O. Hunter as Members of the Civil Service Commission until October 31, Mr, Chairman, those are legal words that you will find repeat 1979 . . . themselves often and often, but think about what they mean and what they are intended to mean. It is deemed advisable to extend the appointments until October 31, 1979. What it means clearly is that it was thought through, their performance was evaluated, it had to be, and the said, we think we ought to extend their term. They have been behaving well. Good behaviour, we will extend their term until October 31, 1979. Why, why, Mr. Chairman? Because on October 31st, 1979, or prior to thereto there will be the need to review in their minds whether or not at that time it was deemed advisable to extend their appointments until some other date. So thereupon the Minister recommended and the Executive Council approved, signed by a person whose signature — no, I'm sorry, I think the signature is McGill — that the appointments be extended to October 21, 1979, and Rod Hunter continue as Chairman.

The next O.C. is O.C. 1,200 passed December 20th, 1978, and provides that: Whereas by OOC No. so and so, the appointment of Robert Brown as full-time member was extended to December 31, 1978; and whereas his appointment as full-time member of the Commission expires on December 31, 1978 and whereas Paul Hart was appointed a member for a period commencing October 4, 1978, and terminating October 4, 1979, it is deemed advisable to rescind the prior order and appoint Paul Hart as full-time member of the Commission at a certain stated salary. Hey, that's a pretty good salary for Mr. Hart, \$38,765 to \$43,394; that's the rate.

And therefore Mr. Paul Hart was appointed full-time member in place of Robert Brown and his appointment in Management Committee was revoked, the appointment would be a period of one year, effective from and after January 1, 1979. He is okay. He is all right for a longer period than the Chairman of the Board, Rod Hunter, or than Shirley Bradshaw; he is safe until the end of 1979.

You know, I have to tell him. Mr. Chairman, that I believe that once he was removed from the Staff Relations Branch of Management Committee, a Civil Service appointment, and put on here as a full-time member of the Civil Service Commission, that we know that a full-time member of the Civil Service Commission can be eliminated by the stroke of a pen and with some consideration, like was done to Mr. Duncan, and he may be out on the street, for all I know. At least he would still be a member of the Commission until the end of this year, unless in the wisdom and judgment and goodwill and wish of the Cabinet they extend his term. That could be.

Mr. Chairman, I have gone through this history because I want it on record and I want to indicate that I do now place a very . . . I don't know how serious I can charge this type of management of governmental affairs by this present government of Manitoba. We know their history of how they fire people. We know how ruthless they be and have been, and now we find that can even in the one Act of the three that I have referred to, where there is some independence . . .

**MR. CHAIRMAN:** The honourable member has five minutes.

**MR. CHERNIACK:** Thank you, Mr. Chairman. The independence that's quaranteed, as I said earlier, to the Provincial Auditor, to the Ombudsman and to the Civil Service Commission, has been damaged by this government to a very significant extent. Because now ne year is the they seem to be okay. They have tested their people; limit of the term, but they tested it on a three-month basis.

Mr. Chairman, their reasons may be shuffling around, looking for another Chairman, retirements, other uses. They give all the good reasons in the world. The point I am making is that they have

removed from the persons so appointed the independence, the authority to know that any chance of extension renewal is subject to the wish of the government of Manitoba of the day, and that's a terribly dangerous thing to do. If I were the Ombudsman . . . Oh, his term, I think, does have an expiry date; I think it's a six-year term. There is a term for him — seven months, seven years, whatever. But in the case of the Provincial Auditor, I think that he has that independence until retirement.

I think that there is validity. And I have to tell you, Mr. Chairman, that that does not mean that any government, including the former government, was necessarily happy with all decisions, recommendations and findings made by the Ombudsman or made by the Provincial Auditor, or made by the Civil Service Commission, but I'm proud to say that, as far as I can tell, there has not been this kind of retention of power that was operated by the previous government or any previous government, to my knowledge, that has been done by the present government. And I do look on it very seriously, very critically, and I do say that the least the government can do, as they did in the case of that small amount of taxpayers' money they paid to the Conservative Party and got the money back in a hurry, they ought quickly to review the spirit of the Act, the principles behind the Act. Never mind the legality; maybe they were entitled to do what they did, but the whole concept of the independence guaranteed in the Act and what they did to it, and that they ought to very quickly say "mea culpa", which I don't expect them to say.

The Member for Tourism made a comment. I wish I had heard her. —(Interjection)— Oh, she doesn't understand. Well, why should she, Mr. Chairman? Latin is no longer compulsory, and I have to admit that after seven years of the study of Latin I only know about eight or nine words. I would say "mea culpa" means I am guilty. —(Interjection)— Oh, she understands that. And she is the first Minister, who signed this kind of terribly dangerous and wrong Order-in-Council; I hope she will be able to stand up and say "mea culpa" or, if it comes more smoothly trippingly off her tongue, to say, "I am guilty; we will correct it."

That's all I'm saying. I have no objection to the appointments. Let them correct them by making them be in accord with the principles of the Act, and that way they will at least do a little penance for what they did and remove any cloud hanging over the heads of any person appointed 'til now, bearing in mind that those persons, once appointed by this government, should be approachable by the government and be told "Would you please resign?", although I have to say when I asked Duncan Jessiman to resign he said "no". And although I was told that I had the legal right to cut off his term I didn't do it, more fault to me.

**MR. CHAIRMAN:** Order please, order please. If I could just direct the honourable members' attention to the loge on my left, where we have Mr. John Gogo, the Member for the Lethbridge West Constituency, Province of Alberta.

I would ask the honourable members to join me in welcoming Mr. Gogo here to our Legislature this afternoon.

The Honourable Minister.

**MR. MacMASTER:** Mr. Chairman, I have listened with some interest to what the Member for St. Johns has been saying. He is right that legally there is nothing wrong, and I don't think ethically there is anything wrong with what we have done. I think what we can be accused of, if it stands as being accused, is walking with some caution.

Mr. Newton came in to fill a void, and did an excellent job. Mr. Brown came in to fill a void, and did an excellent job. Miss Bradshaw is now the Director of the Women's Bureau and there is a possibility she may find a total combination of things too much. Mr. Hunter offered his services and I join with the Member for St. Johns in saying that he is a fine gentleman and I think he has done a fine job but it wasn't, in his mind, certainly, a long-term sort of a thing. not with any fea

And Mr. Hart took on the job as Commissioner, but certainly it was a massive, big step for him. So I think what we can be accused of, Mr. Chairman, is exercising some caution and not running with the wind and I don't think a government should be accused of fault when they are walking cautiously.

It is with some amusement that I listened to the Member for St. Johns and the other members across when they talk about the ethics and principles of the Civil Service and what they did to it during their course of eight years. I really wonder how the Member for Logan and the Member for East Kildonan and the Member for Flin Flon, three distinguished men with a great career and a past of being involved with unionism in this province, how they sat with their heads down in caucus when the Cabinet decided that they were going to circumvent the Civil Service Commission and bring in their friends and bring in their hundreds of contract employees, people who should have been employed within the Civil Service. You people call yourselves defenders of the labour movement;

you call yourselves friends of the labour movement. You are no friends; you are false. And how those three men — the rest of you I can excuse because you don't understand the principles, you don't understand the ethics of unionism — but those other three with the history they have, I'm amazed that they stood by and watched the things happen to the Civil Service Commission in this province. It was a joke, a sad joke to the MGEA and if any of you were ever listening to them or talking to them, you would have found out how you circumvented unionism with your nonsense of hiring and running around behind their backs and bringing in people — wouldn't put them into the Civil Service Commission.

I guess there really isn't much I can say. These three men I had respect for, I still do, but I guess they were out-caucused by people like the Member for St. Johns and others who didn't understand what was really taking place.

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

**MR. CHERNIACK:** Mr. Chairman, the Minister is saying, and now appeals to three members of unions, he is saying they call — that we, our Party, our people — call ourselves the friends of the labour movement falseley. Let me tell the Minister of Labour that the labour movement calls us their friends and that's much more important to us on this side to be told that the labour movement calls us their friends, the spokesmen for the labour movement calls us their friends. We have people who are part of the labour movement and we don't necessarily have to be members of the labour movement. I can tell the Minister of Labour that where he was a member, I think, of the Steelworker's Union, I think, I was an employee in a fabricating plant where the Steel Union couldn't get in and as a lawyer I was finally able to assist them in being recognized in that union. So I don't need to have a lesson from this Minister, even with his labour background, just to tell him that I am much happier that the labour movement calls me and members of my Party their friends, than to have the Minister tell me that we are not their friends.

You see, the peculiar, almost — no, I want to watch my words — the peculiar thing in the argument of the Minister of Labour is that he says, we were cautious so we appointed them for a short period of time, and by his words he admits that they did a good job and they were then extended, which implies clearly if they didn't do a good job, they wouldn't have been extended or kept. It can't have any other meaning, "We were cautious." How were we cautious? We made it so that we need not have extended them. Now he says we were cautious and he spotted that and I think he is saying that because I think he realizes that I was right about the spirit of the Act and the fact that they undermined the spirit of the Act and I am right and I am telling him that if they were cautious, that it was to destroy that independence because they had a right to — they were cautious.

Now, I did not fully agree with some of the contracts that were carried out by the previous government but I have to say they were cautious. I remember talking to one of the previous secretaries of the Planning Board about this principle and he said, "We are getting people in from the university, many of them who just came fresh out of the university," and he said, "I don't know whether they are going to work out in the Planning Secretariat, giving the attention and the ability that is required of them." So he said, "I want to bring them in on contract so that they will come in at a low income, they will work for a while and then I will be able to see where they fit into the scale of things." Because one of the peculiar things in government is that once you slot a person into a certain salary scale you are then pretty well frozen within that scale. And this man said, "I want to give them the opportunity to prove themselves to us, to find out how we work to see if they want to stay, and then we can bulletin the jobs and they can apply for them."

But you know, Mr. Chairman, I said to him, I think you are being overly cautious. He said, "Well, that's the way I think it should be done." So what he did was not only legal, it was moral, it was ethical. I think that he should have confirmed them or had them apply for the Civil Service but then, Mr. Chairman, we have yet to deal with the concept of The Civil Service Act, then it might have been much more difficult for the Minister of Labour and other members to fire them because if you go through the list of what happened to many people, contract employees, all they say is term expired, contract expired, and it made it easy for them for the fact that that person I' referring to was cautious.

But, Mr. Chairman, I don't think that the Minister can throw any slurs at us and thus get away with the fact that his government, and I don't blame him alone and he wasn't the first Minister, there was another Minister before him, undermined the principle of The Civil Service Act. And I have to repeat it, that that is what I am attacking; I'm attacking the fact that The Civil Service Act created an independent board subject to their being removed from office only by this Legislature and this Minister and his colleagues denied to the Legislature the authority it had, denied to the appointees the security they had, not only security of tenure but independence of their actions,

and in that way undermined the Act and created a real affront and I use the words of the Member for Inkster advisedly, an affront to this Legislature and that, Mr. Chairman, I cannot let the Minister off the hook by permitting him to say, oh, there are some trade union members who should be ashamed of the previous government because they falsely pose as friends of the trade union movement. I call on this Minister to quote one labour leader, one group of labour people, one union to say that we falsely claim to be their friends. But whether or not we claim to be their friends, Mr. Chairman, they claim to be our friends and I say that's a much more important form of recognition than I would expect to get from any of the members opposite.

**MR. MacMASTER:** I wonder, Mr. Chairman, when the Member for St. Johns was talking to his friend, the Secretary of the Planning Secretariat, did he tell you — obviously he didn't, he said that it is easier to bring them in on contract — did he tell you they had no protection under the Collective Bargaining Agreement?

Did he tell you that the Civil Service couldn't defend them, that they didn't have those rights, they couldn't file a grievance? Did he also tell you that they could have been brought in as a term employee with full protections under the Civil Service, with the MGEA, on a term for six months? Did he tell you that?

**MR. GREEN:** Mr. Chairman, let's examine how the Minister of Labour, who has no answer to what has been said about the independence of the Members of the Civil Service Commission, because he didn't answer, he didn't deal with it at all. He said that we brought in, Mr. Chairman, and this is what I heard and he will correct me if I'm wrong — that we used the contract system to bring in a whole bunch of our friends, to work for the government by circumventing the Civil Service Commission. That's what he said. Well, Mr. Chairman, what the honourable member says, is that we brought in a whole bunch of our friends for the purpose of giving them no security, no right to union organization, no right to remain in employment after the government was dismissed. Mr. Chairman, if we were their friends, they certainly weren't treated very well. Well, Mr. Chairman, the honourable member can't have it both ways. He can't suggest that we were trying to give preference to these people and then hired them on contract. The honourable minister knows why they were hired on contract. Mr. Chairman, the honourable minister knows full well why they were hired on contract. The system of hiring people on contract was done, Mr. Chairman, because there was a real reluctance to build up the establishment in SMYs. And it was felt that certain, Mr. Chairman, that is exactly why it was done, it was felt, well come on, the honourable members won't listen to anything except what pleases them.

There were real problems about . . . We had a program, which was designed to investigate the Churchill River diversion. It was a program which was going to last over a period of four years. We said, are we going to build in staff man years into the Department of Mines, Resources, Environmental Management, or are we going to hire on contract? And we said, we will hire on contract. And they will not be built into the Civil Service Commission. Mr. Chairman, the fact that contract employees were denied collective bargaining rights, is not something that was predicted by the government. It was a decision that was made by the Court of Appeal of the Province of Manitoba, and one frankly which I disagree with. That decision, if the minister will recall, I believe that the decision was made after the government changed. The decision that contract employees cannot bargain collectively came after the government was changed and I challenge that decision. In my view, that is a wrong decision of the courts. I don't know how it came to be contested, but I tell you, Mr. Chairman, that I believe that that is a wrong decision. I believe that people on individual contract, if there are a number of them, working for an employer, have a right to negotiate collectively.

I challenge the Minister of Labour to bring in an amendment now to the Labour Relations Act, saying that that decision of the Court of Appeal is wrong, because it is wrong and should be changed. And those people, whether they work for the government or anybody else, if they've worked and I think it related to the people who were working in the Housing Rent Control — related to the people who were working in Rent Control.

I say, Mr. Chairman, that those people did have a right of collective bargaining, did have a right to sign collective agreements, did have a right to grievances, and if the Court of Appeal made the decision that they didn't then that should be corrected. And the minister should bring in legislation this Session to correct it.

But contrast that, Mr. Chairman, and we started, I think, with the Member for Rock Lake in this direction, and then when the minister couldn't answer directly relevant material brought to bear by the Member for St. Johns, he decided a new tact — that we brought in these people and then left them. After we brought them in through the back door, as he would suggest, we left them to the mercy of the Conservative government — to fire with no security. It seems to me if we were



trying to protect them we would have put them in as staff man years so that they would be there, and their dismissal would be subject to whatever Civil Service procedures were in effect after the government took over.

And, Mr. Chairman, we had a good precedent for that. We were shown the way. In 1969 when we came into government, the election was June 25. We did not get into power until July 16. After the government was dismissed, and I'll name two but there were more, the government took, after they were defeated at the polls, it's on the record, they took two Executive Assistants, and made them Administrative Assistants and civil servants. There was Mr. MacInnes in the Health Department, a man who worked in my department, and I have no objection, Mr. Chairman, but the fact is that that man was an Executive Assistant, subject to immediate dismissal, and that's what happened to all of our executive assistants, we immediately terminated their appointments. That's the difference, when we went out of government, the last Cabinet meeting we dismissed every Executive Assistant. Do you know what the Tories did? They turned the Executive Assistants into Administrative Assistants so they couldn't be dismissed.

Dave Saunders was the Executive Assistant to the Minister of Mines. No, he was Executive Assistant to Dr. Johnson, I believe, the Minister of Health, but I think he then became Executive Assistant. Certainly when I came into Mines, he was an Administrative Assistant appointed after the Conservative government fell and given Civil Service status.

Now, Mr. Chairman, an interesting question has arisen. Will the Conservatives at the Cabinet meeting before the election take these people, who they've named to the Civil Service Commission, and eliminate the back part of their term, and say we were wrong up until now. We have erred, mea culpa. There should be independence. —(Interjection)— The Minister of Highways says I've given him a good idea. But I didn't give him the idea, they have done it.

At the last meeting before election day, we will have all of these people who have terms, and the Conservatives will say that the Member for St. Johns has shown us the light. We have sinned and we do repent. We now take these termination dates, and say that they will no longer exist. These people will now be appointed as independent Civil Service Commission until death do us part, or until they retire, and I would certainly hope the retirement comes first. Because that's what they did, and if the minister wants to use this portion of the debate to engage in who showed more solicitude to their friends, in terms of hiring and firing, I guess that will take some time and I will be one who thinks that it does not have the same importance as some of the other things that have been discussed. But that's not the issue. That's the issue the Minister of Labour hopes to divert us to, and the Chairman will try without success to stop him.

The Member for St. Johns and the Member for Logan have shown the minister that inadvertently or advertently, and certainly the more the discussion the more it appears that this has not been an inadvertence but a deliberate policy, he has put all of the Civil Service Commissioners, whom he has appointed, at sufferance and on good behaviour. —(Interjection)— He hasn't answered that.

He has put them all on good behaviour; some for three months at a time on good behaviour, some for a year at a time on good behaviour, and even the ones that are for a year at a time, he has shown. Mr. Chairman, that even those that are appointed for a year, they're on good behaviour because if he doesn't like what they do at the first meeting, he has a very simple solution. He pays them for the rest of the year, and he invites them to no other meetings. That's what you've done with Duncan.

I suppose if one of these people, and it's interesting, Mr. Chairman, how the minister describes the appointments, he's done an excellent job, I'm beginning to wonder what that means, he's done an excellent job. I mean the minister would regard it as an excellent job, I gather, if they don't cause the government trouble, that they have not refused to appoint people that the government thinks should be appointed, that's an excellent job, that's the good behaviour we're talking about and if we're being too sinister or cynical which is a better word, then answer the Member for St. Johns. Don't tell us what we did. My God, Mr. Chairman, in all the years they were telling us how terrible we are, now they're holding us up as a model to be followed, a model government. You did it, therefore we are following you and we are doing it.

Mr. Chairman, that's not the answer. They are saying, every time we find something that appears to us to deserve some criticism, what do we get back, that's the way you did it. But my God, you people were elected to do things differently than we did it. Now, rather than saying these people deserve to be thrown out, you are now saying, these people governed in a manner which was so beautiful to behold that we have decided to follow them in every respect, and that's what we get every time a criticism is put forward.

Mr. Chairman, I am willing, the House willing, the Committee willing, to engage in a debate on who look after their friends more. I would prefer not to, but I don't mind it, I'm game, but the Member for St. Johns and the Member for Logan have shown the minister that the independence

of the Civil Service Commission has been impaired. Is the answer to that, you hired people on contract? If that's the answer, I know what the answer is. I don't know, Mr. Chairman, whether the public of the Province of Manitoba will be able to assess the answer as a rejection of the criticism. I'm hoping that they won't. I hope the minister stops where he is, because we need 1 in 10, I keep reminding him, a room of 10 people — 5 Tories, 4 New Democrats, and 1 Liberal. That's the situation in the Province of Manitoba over a large scale.

If one of those people say that the Minister of Labour in answering the Member for St. Johns or the Member for Logan demonstrated that there was an interference with the independence of the Civil Service Commission, that the Minister of Labour said, "You guys hired people on contract, "If one person finds that to be an unusual and unacceptable response, I'm happy, I'm prepared to leave it sit where it is.

The minister has had his chance and he's given us his answer. The charge documented, the interference with the independence of the Commission has been impaired. The answer — "You guys hired people on contract." Okay.

**MR. CHAIRMAN:** The Honourable Member for Logan.

**MR. JENKINS:** Thank you, Mr. Chairman. You know, this debate is taking a very funny twist. The honourable minister has decided that he's opened two envelopes, he found himself with four envelopes now; he's now taken upon himself to attack members of this House, and of this side of the House who were — the Member for Kildonan was the Speaker of the House for a considerable time when we were the government and I was Deputy Speaker of this House. But I can assure the honourable minister that I have met Bill Jackson, who was the President of the MGEA. Bill Jackson never once, never once brought the issue that the minister has now decided he wants to drag in as a side issue to try and get himself off the hook — that we were hiring people by contract and not giving them the benefit of a union contract. Never once did Bill Jackson come to me, and I'm sure he didn't come to the Member for Kildonan or the Member for Flin Flon, and I'll match my record in the trade union movement with the Minister of Labour any day, any day of the week.

I certainly have never worn management's hat; I have been a faithful and true member of the trade union movement, and will be until the day I die. I'm not the Vicar of Bray. If there's a Vicar of Bray in this House, it is the Minister of Labour, not me, not the Member for Kildonan or the Member for Flin Flon.

But what the Minister of Labour and his government has done, and the Member for St. Johns and the Member for Inkster have pointed it out quite clearly, you have cast the present Civil Service Commission under a cloud of suspicion, a cloud of suspicion that every decision that they will make is subject to good behaviour, subject to good behaviour. —(Interjection)— oh, no, no, there are two people. Oh no, three people — Mr. Duncan, Mrs. Allen, and Mr. Pankiw. You don't have to call them to meetings, the minister doesn't have to call them to meetings, the secretary doesn't have to call them to meetings, but the other people, if you don't call those three people to the meeting, you have three left, that constitutes a legal quorum. These three people are all under the sufferance of the whim of the government of the day, and that is the government right over there, and you, Mr. Minister, are the minister in charge, you're the minister responsible, absolutely.

If you want to talk about politicization, this is politicization because these people are going to have to, I hope they don't, but if you want to insert your political friends into the permanent Civil Service you can make it pretty plain and clear that if they don't appoint the right people to the permanent Civil Service that their terms of office are not going to be renewed.

Talk about flaunting of the spirit of the Act. It is an absolute flaunting of the spirit of the Act; the whole thwarting of the intent of the legislation and the minister, who claims he is a defender of the people of the trade unions, oh my God, at least. You talk about tenure, he talks about tenure for these, and no protection. How about these three members of the Board of Commission? They can't even approach the Members of the Opposition because if they do, my God, down will come the axe. Bingo. The guillotine, you're out as soon as your term of office is up, and we won't call you to any further meetings. They've left themselves a loophole, Mr. Chairman. I think the legislation, and I stand to be corrected, but I think calls for seven, is that not right, seven members? —(Interjection)— Up to seven. They have six. So if one of these people that they have on the present board steps out of line, they have an out; they can appoint another one. So they can still carry on.

Now, this is the kind of impartiality that a Civil Service Commission is supposed to exercise? You and the former Minister who is equally culpable because she was part and parcel of the Orders-in-Council that were read out by the Honourable Member for Inkster, she is equally guilty, and as the Member for St. Johns says in Latin, *mea culpa*, is it? She cannot plead ignorance that

she didn't know what was going on; she signed it, her name is on those. Didn't she ever check the legislation? —(Interjection)— The First Minister forced her to sign? Well, I don't know. I'm not going to accept that one way or the other. If the Honourable Minister wants to make that assertion that she was forced to sign, that's up to her.

But I do think that it's a very sad day here in Manitoba that the Civil Service Commission, from the people and especially the members of the Legislative Assembly thought when they were appointed that they were not appointed with a gun at their head. I don't know what the public will think about it. I think the Honourable Member for Inkster has said, yes, sure, there are 10 people in one room. Five of them are Conservative; four New Democratic Party; and one Liberal. That is approximately the ratio of what the last general election was and if one of those people decide that they don't like the way that you have been dealing with the Civil Service, and if the Civil Service and the MGEA should be upset, I am sure that they are going to be pretty damned upset when they find out the way that this government has been appointing members to the Commission with a string on them — if you don't do what we like, we will pull you off when your term is up.

How can you have impartiality in the Commission when it is under this cloud of suspicion? I say to the Minister and I say to the Treasury Bench of this government that you had better get your act in order. You had better get your act in order; you are getting caught with your hands in the cookie jar a little bit too often and I can assure the Honourable Minister that I knew nothing about Mr. Brown. I made the inquiry this morning in all innocence but we found out exactly what kind of games you people are playing and they are not very pretty games. Talk about politicization — what a way to do it. You will make sure if you control that board of Commissioners that they are subject to your sufferance, that if they don't make the right appointments to the Civil Service Commission, boy, they are out as soon as their term, three months, six months, nine months — one, I think the Chairman has got a year. Well, not as much now because I believe that was the first of January, so his term of office, his day of reckoning and toting up of whether he has been a good boy or a bad boy as far as the Minister and the First Minister and Treasury Bench are concerned, whether he will have his term of office renewed.

I say to you in all sincerity, Mr. Minister, that if you want to have any credibility, that you will clean this Civil Service Commission up. Clean up your act. Make the appointments; don't put these people there under a cloud and expect them to make decisions, and they may be right decisions, but they will always be subject to suspicion that they were not impartial decisions. As long as you are going to have members on that Board, at least half that Board, operating under a threat that if you don't behave your appointment won't be renewed and if you don't behave we won't even call you to meetings. As I said earlier this morning, one thing that the Minister should do, and if he has learned anything from the discussions that we have had on his Estimates so far, that in future letters go out notifying each and every member of that board that a meeting is to be held.

You pride yourselves on being good businessmen. That's only good business sense. —(Interjection)— But given the record of the way you behaved with the Student Employment Program for last year in making some of the decisions and getting approvals for some of the grants that were made leaves us seriously in doubt just what kind of businessmen you are. You are some of the poorest businessmen that I have ever heard of. You wouldn't last two days outside in the real world if you had to go out and compete, but you pride yourselves on being the innovators, the hard-nosed businessmen. My God, all I can say is that the people of Manitoba certainly, on October 11, 1977 sure bought themselves a pig in a poke.

**MR. DEPUTY CHAIRMAN (Mr. Arnold Brown):** The Member for Kildonan.

**MR. FOX:** Thank you, Mr. Chairman. I had no intention to get involved in this debate in this fashion but unfortunately the Honourable Minister of Labour had to introduce my name and gratuitously, for the simple reason that he, in trying to create a defence, thought the best defence is an offence and it turned out to be a very poor diversion.

First of all, he went at characters and this is probably the one thing that I have discerned in this Legislature has been happening so often. When they cannot debate the issues, when they know they are wrong in what they are trying to say, then let's go after the person's character and try to smear that one way or another. I want to say to the Honourable Minister of Labour, that is a very poor tactic and he should be aware of it. In fact, if he really was a trade unionist, he would have known from his past experience, that that was the one thing you first learned in labour, when they had no argument in respect to what the issues were, they tried to assassinate your character and he has slipped to that level.

In that respect, it really gives me a concern that the Minister would now be prepared to defend that part of labour which he is serving as the officer of, because having a look at his record of

what he has been doing up until now, and that's not very much especially when it comes to the minimum wage, I find that he is lacking in the labour background that he was so proud to talk about just a moment ago.

As I said, I don't have to defend my character to the members of the labour movement; I believe he has to do that. I am certain that if we were to get on a platform any place in this town, in his town in Manitoba, that he would come out second-best in any kind of a labour debate before a labour audience.

**MR. CHAIRMAN:** The Member for Winnipeg Centre.

**MR. J. R. (Bud) BOYCE:** Mr. Chairman, when the Minister save his non-response to the question, he hurled the accusation that the people on this side were supposed to be the friends of labour and it somewhat bothered me in the sense that I thought we were elected to the Legislature to resolve problems but nevertheless my own involvement with labour goes back to the packing house workers in 1947, later with the papermakers and latterly with the Manitoba Teachers' Society.

But, Mr. Chairman, in him putting this blanket accusation that the former government circumvented the MGEA and the Civil Service Commission by the use of contracts, Mr. Chairman, the use of contracts, in my judgment, makes eminent good sense. In fact, I did have a conversation with the President of the MGEA, Mr. Bill Jackson, who is moving on other things, because he asked me what my attitude towards contracts was and I told him, at the time, that it was a good instrument to use for something which may or may not be permanent.

But one of the refreshing things, Mr. Chairman, with the exception of two people who worked, in the short three years that I was involved, have subsequently been converted to Civil Service by this government. And I think the record will show that in the department for which I had some responsibility that even the secretary to the Minister was hired through the Civil Service, was boarded by the Civil Service.

And the blanket accusation brings to mind an admonition of Tommy Douglas that I can remember, it is that it is easier to make a Socialist out of an engineer than it is an engineer out of a Socialist. And this, in my judgment, was the way that the Ministers approached the problem in this regard, that the present government disagrees with bringing on new projects, which may or may not have greater or lesser life expectancies. You know, that's their approach to government. But for the member to not reply to the questioning of what many of us feel, including myself, Mr. Chairman, is that the intent and spirit of the Legislative Act dealing with the Civil Service Commission has been circumvented. That is the question before this Legislative Assembly and the Committee of this Assembly, and the Minister refuses to address himself to that question, rather than just reacting and hoping that his bluster will make us go away or something.

But I will keep our remarks brief, Mr. Chairman, because I don't purport to be an authority on unionism or organized labour but, as a legislator, I will record my bias is that we should try and create conditions in which organization of people in free collective bargaining units, it's conducive to that kind of organization. But nevertheless I don't think it's incumbent upon us to legislate them into existence; I think that's the responsibility of the unions themselves. But for the Minister to try and hurl an accusation that this use of contracts was a circumvention of the MGEA, it's a fallacious argument and it really doesn't answer the question.

The questions posed by the Member for St. Johns is what does the Minister intend to do about this apparent circumvention of a statute of the province which calls for the Legislative Assembly to be the body which reviews the functioning of the Civil Service Commissioners, and then can they only be dismissed with a two-thirds majority. The Minister refuses to address himself to this question.

**MR. MacMASTER:** Mr. Chairman, there are a couple of points that must be cleared up. First, it's my understanding, whether it's a correct procedure or not, to the Member for Logan and I think somewhat to the Member for Inkster, whether it is correct or not — the procedure of contacting the Commissioners, I understand, has been done by phone for many, many years and that may go back, well, even before your time.

Mr. Chairman, the Member for East Kildonan talked about his history in the labour movement and I am aware of it, but I think part of that history should remind him of the fact that one of the age-old arguments of unions was a contracting out. That was a major argument with unions, going back as far as he goes, and I think he goes back farther than I do. And that was how this circumvent, the Civil Service Commission, that took place in the province here.

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

**MR. FOX:** Yes, thank you, Mr. Chairman. The title for my constituency is Kildonan, not East Kildonan, and the other item that I want to raise is that in respect to what the Minister just now raised, contracting out, there was no discussion by myself, or I don't believe by any other member here. Contract work is totally different from contracting out, and he should know that.

**MR. MacMASTER:** Well, Mr. Chairman, again on the same point. There is really no difference with what was taking place with the NDP administration in this particular province. Rather than give people the protection of the MGEA, the union, and of the CBA, the contract, they chose to put people contract. Not just a handful but hundreds and hundreds, and hundreds and hundreds, and not just for a short period of time, like has been suggested in the House, but some of them extending quite beyond a year.

Mr. Chairman, a point that we seem to be forgetting here, there is a body that has to be satisfied, and I know that the House is my first responsibility to satisfy, but there is another body that is very, very important and that is the Civil Service itself, and I am pleased to say that the Civil Service is very pleased these days with the type of co-operation and the type of understanding and the type of work that is taking place with this government and with the Civil Service Commission. They are pleased with the type of things that are taking place.

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

**MR. CHERNIACK:** Mr. Chairman, the Minister seems to think that the Legislature has to be satisfied and he now knows that more than one-third of the Legislature is not satisfied. And he says the other is the MGEA. What about the people of Manitoba? Do they not have to be satisfied? Isn't there an Act of long standing on the books, which was undermined by this government, and is the Minister going to ignore the people of Manitoba to the extent of not even answering to them?

The Minister has the right, under the rules of this House, not to answer us. At the same time, he has the obligation to hear us, but he does have an obligation, his elected office requires that he answer the people of Manitoba. Not to the MGEA. Think of all the other people involved that seek and sought and thought they could continue to seek the protection of the independence of the Commission.

Now, the Minister, as the Member for Inkster said, if the Minister chooses not to reply to the direct point, okay, let it be, but let him not pretend that he has answered because he hasn't, and let him not pretend that if the MGEA is satisfied that's okay. And let me tell you, Mr. Chairman, that I do believe and I believe this sincerely from the people I have spoken to, that the actions of this government in the way they have discharged people, the way they have dealt with people, has created fear in the hearts of many civil servants. I don't know what they say in their group as the Manitoba Government Employees' Association, I don't attend their meetings, neither does the Minister, I think. I don't know what they say there but I know that we have had on this side, calls by people we knew, or anonymous calls, saying please don't mention my name but. And there's a good reason for that. Mr. Chairman. There is fear in the hearts of civil servants because of the actions of this government, because they are callous — I have used that expression before — callous, ruthless way of dealing with it to the extent — and we have yet to deal with the activities or lack of activities of the Civil Service Commission in protecting those people who were fired by this government.

I know that the Deputy Ministers, and I think the secretaries to Ministers, don't have the security, but I question now whether civil servants have the security because there are levels below that of the Deputy Minister who have not received proper treatment by this government. We have yet to come to the number of appeals that have taken place.

I'm glad the Minister of Education is here. I understand that not only did he fire someone out of hand, but has continued to refuse to give him a letter telling him why he was fired. As a matter of fact, I think that the person doesn't know to this day what his reason is for firing that person. You call that a satisfied civil servant? Well, that man is no longer a civil servant so I guess you can eliminate his disgust for the government and for the way it treated him on the basis he is not a civil servant.

But I tell the Minister that he has not dealt with a specific accusation that we made, about which we knew nothing when we started the session this morning, a specific accusation that we made about the undermining of the independence. Let him prove to us that they did not undermine the independence. Let him tell us that the independence of the members appointed continues as securely as it was before this government conceived of its method of appointing the Civil Service Commission. Let him tell us he believes that and then even if we don't agree, let him at least say he believes it so that we can then hold up his belief for scrutiny. But he has not answered that. He is talking

about contract employees; he is talking about circumvention of the Act; he is talking about hiring people outside of the Civil Service. That does not get away from our accusation that the Civil Service Commission has been undermined and if the Minister continues to refuse, then I, like the Member for Inkster say, let it lie there but don't pretend that you have answered that specific point.

**MR. CHAIRMAN:** Resolution 24 (b) — the Member for St. George.

**MR. BILLIE URUSKI:** Thank you, Mr. Chairman. I thought I should make one or two comments with respect to the debate that has taken place this morning and this afternoon and the diversion tactic taken by the Minister responsible for the Civil Service in terms of the charges which started out as inquiries and then turned to charges on the handling of the Civil Service Commission by the Minister, not the handling of staff within the Civil Service Commission, within the Civil Service, Mr. Chairman, but the actual members of the Commission.

I believe, by the actions that have been taken by the Minister by attempting to and doing so the appointment of the past and now present Secretary of the Civil Service Commission for a temporary period of time, which clearly violates the intent — not only the intent, there is no provision in The Civil Service Act to make the appointment in the manner that the government has done. What it really points out very clearly was that there was a clear intent by the government to fire and get rid of the past Civil Service Commissioner because the government admitted that by saying that the past Civil Service Commissioner didn't want to be called to meetings because he said any discussions with me should go through my lawyer. Now, there was no doubt that the government terminated him from the full-time position but when they appointed the Secretary on an interim basis, as they have done, to the Commission, it clearly points out that they were relieving the past full-time Commissioner from two positions, one, of the full-time position that he held as an employee of the Civil Service, and two, as a member of the Commission, because they replaced him on an interim basis by the then Secretary of the Commission as a full-time member. That's what they did, Mr. Chairman, so that they in effect covered off the two positions that Doug Duncan held and they knew in their own minds that the plan was deliberate in terms of the handling of that situation by firing him directly from his full-time position, which is the right of the government, they can replace him — they said that you are no longer needed — but they circumvented the legislation by saying, well, he's still on the Commission, we're not notifying him of meetings. We phoned him and he said to have all the dealings through his lawyer and therefore we haven't notified him of any other meetings, and to cover that off, we have appointed for the time-being, until we kind of got ourselves ported out, we have appointed the Secretary to the Commission.

That, Mr. Chairman, clearly points to the direction and intent of the Premier of this province and his colleague the former Minister of the Civil Service, because she came to this committee and to this Legislature and said, I had nothing to do with the firing of Doug Duncan, it was the Premier who signed the document, although she did sign the O/C, but she did not have anything to do with it. She told this Legislature and members of this committee that she had nothing to do with the firing of the former full-time Civil Service Commissioner.

So this Minister can divert all he wants, Mr. Chairman. He is saddled with that situation of having violated the Act, clearly so, not come to this Legislature — or if there were resignations by those members, you know, that term appointment, let's have those letters tabled, Mr. Chairman. —(Interjection)— There are no letters. I wasn't here for the debate this afternoon. So there is no resignation by the member that he appointed on a part-time basis. Now, if there isn't any, the Legislature, I believe, or if the Premier has any integrity — Mr. Chairman, the Premier of this province talked about restoring the merit principle back to the Civil Service. Well, if the Premier of this province is really intent on restoring the merit principle, he has two options, he either has to acknowledge that the legislation has been violated and either remove the present Minister responsible for the Civil Service Commission, or hang the entire fiasco on the former Minister, the now Minister of Tourism. Because he can't brush it off, Mr. Chairman; the Premier of this province cannot brush off what they have done in the move in this area. —(Interjection)— Oh, Mr. Chairman, the present Minister signed the extension so that he is tied in to the whole process of the circumvention of the Act. So he is ultimately responsible. He can't hang the hat, as the former Minister tried to, and I think she did a good job, tried to hang the show on the Premier, and rightly so. She said, look, I didn't fire Doug Duncan, the Premier did. He's the one who made the decision. I was told to sign the O/C and so I did it. But now this Minister has admitted that he signed the extension of the present members to the Civil Service Commission on a part-time basis to a definite period of time. He is the one who signed it. I think the O/C is very clear there as to who recommended it to council, the signature of the Minister in both cases, Mr. Chairman, the case of Shirley Bradshaw, Mr. Rod Hunter and, Mr. Chairman, the member that we questioned that was raised by the Member for Logan, Bob Brown, Robert Brown. So this Minister is clearly in violation of the legislation that

he now supports.

But there is another issue that he talked about and he crowed about and he said that the re-organization of the department was a great move and it would do a lot of good for the Civil Service staff in terms of the handling of the problems within the Civil Service and the way he has re-organized the department, the branch, will be very good. He criticized and didn't want to criticize too much the very system that his predecessors set up, in terms of separating the functions of staff relations and the function of the Civil Service Commission in terms of hearing the appeals against management moves, as carried out on behalf of the departments by the Staff Relations Branch. I believe he will find it very difficult in the present form; I think he will find it very difficult to have the full-time Civil Service Commissioner, who is directly in charge of the Staff Relations Branch, who will be dealing out and making the decisions of classifications and handling the problems of staff relations within the staff and then having to adjudicate the appeals from that very decision of his Branch of Staff Relations that will come to the Commission. He will be trying to wear two hats and be put into a very difficult position by doing that.

Having the two functions separate, as they were, at least the Commission could sit separately and view the operations of the departments and the various agencies, and the Staff Relations Branch, on behalf of those departments, as management, and view them in an impartial light. At least he should acknowledge that the decision and the move.

And lo and behold, I should not be the one standing here defending the reorganization that was brought in by the former Conservative government in setting up Management Committee, the very committee that was set up by the previous Conservatives now was stomped on by the present Conservatives, some of whom were part of that government, and said, well, this is going to be a great overhaul of the provincial government. you can throw everything into a pot and stir it up

You know' as much as you like, but you know, regardless of how much stirring you do, you can only try and change the system so much but it all still comes out that you are responsible. You can try and mishmash and do all the changes that you want, but you end up you have to be accountable and you have to be responsible.

You cannot stand here and tell me that it is going to be a much more independent Commission when we have the Civil Service Commissioner in charge of the Staff Relations Branch of the very department that he has to then wear his other hat and say, look, I think on the appeal of the member of the Civil Service that comes to the Commission, you know my own Branch did wrong. My own staff did wrong. He will be put in a very awkward position, Mr. Chairman. I think the Minister should recognize it. But we haven't heard from this Minister if he is really intent on giving the employees within the Civil Service the right to be treated, as they have said over the years, the same as any other employee in the work force. We have not heard what his intentions will be or his discussions with the present administration and leadership of the MGEA, whether or not there is an intent to move the MGEA under the Labour Relations Act. Then, Mr. Chairman, the Minister would have no difficulty in having the reorganization that he has talked about, the internal reorganization of the department, go through and be in place for the people who would not fall under and who do not fall under the government union and would not fall under separate contracts with respect to the MGEA that would fall under the Labour Relations Act.

So we don't know what the government's intentions are, whether they will, as they say, they will handle the Civil Service and if their changes that they have made or intend to make under the legislation will improve the relations between the government and the Civil Service.

I believe, Mr. Chairman, that there is no relations between the Civil Service and the government. There is fear between the employees and the government. I don't use that word lightly, Mr. Chairman. You go and talk to any employee in the field about how they feel about how things are run or their reactions, they are afraid to say "boo" because they are deathly afraid of the moves that have been made by this government, even though a lot of those moves were primarily paper transactions of positions. But everybody is so afraid that the bulk of the bureaucracy in the Province of Manitoba is almost to the point of being not awestruck but they have crawled into their holes because there are virtually, in many departments or in most departments, very few decisions being made.

And your colleague, the Minister of Government Services, was very clear in his denunciation that the period of restraint was good while it lasted but restraint is no excuse for lack of policy, lack of direction, and that's what this government . . . You know, while they brought in the great saviour that we will save the people of Manitoba by reorganizing government, we will become more cost-conscious, more efficient; what we have seen is an increase in spending in this province, and rightly so, but not after all you Conservatives have pledged to the people of Manitoba that you will cut spending when your budgets have gone up close to \$200 million in the last two years and now the various departments have very little, if any, policy. The policy is hold pat, do nothing, cut

programs, and we will try and buffalo the people of this province shifting staff from one department to the other and make big statements that we can, by giving people tax cuts, we will make statements that we will cut staff in the Civil Service and that's the way we will make things efficient.

Mr. Chairman, that is, I believe, the con game that this Premier and this Minister and his colleagues have put on the people of this province. I think this Minister, while he is new in the portfolio of the Civil Service Commission, he certainly put himself into a very awkward position. You know, if he has any desire of improving the relations with his employees, he certainly should get up in this House now and say that, look, in order to get out from under this cloud that he is under now by violating the Civil Service Act, we will move the entire Civil Service under the Labour Relations Act and then they can, if there are appeals and complaints, they can go to arbitration and handle all the complaints under the normal labour management relations, if he wants to clear himself. But he won't, Mr. Chairman, at least he hasn't indicated it. We will wait and see what intentions he has got and how he intends to deal with his employees.

**MR. CHAIRMAN:** The Member for Winnipeg Centre.

**MR. BOYCE:** Well, Mr. Chairman, when the Minister says that the Civil Service is happy and content with that which is going on, perhaps the Minister is spending too much time in his office or perhaps, things being what they are, that only people who agree with him speak to him when he is out.

But in this regard, Mr. Chairman, not by carrying out any analysis in depth of the situation, an event occurred recently where a group from the House went to give recognition to the people of Brandon, who had been quite actively involved in the Canada Winter Games, and a situation which I found a little bit embarrassing because, I am not intimidated, but nevertheless I happened to walk around the reception area. I think there must have been about 1,500 people there. And over the last 10 years I have spent a goodly part of my time in the area of Brandon, for various reasons. I know a lot of civil servants in that area. In fact, some of them I went to school with. I happened to see this one fellow and he recognized me, and he gave me kind of a sick grin. So I became curious. I wondered how many people would go out of their way just to say "hello". I walked around there about six times and there were four people who had the nerve to come and talk to me. The rest of them, they'd recognize you and they'd see you and they'd give you a sick grin.

Now, this isn't an analysis in depth, Mr. Chairman, but I think it reflects the situation because what is going on — and the Minister may be quite unaware of it — what is happening within the Civil Service is they have become survivalists.

They talk about production. They talk about production; they have decreased in efficiency in the government by this fact alone, that the people are so darn intimidated that they forget even that they're human beings. There are some people in this building at the Assistant Deputy Minister level and the Deputy Minister level that are sure enough of their own worth within the government that they will say hello to people in the halls and talk to them, and sit and have lunch with them, regardless of what government is involved.

But for the Minister to stand there and say that the MGEA is happy with what is going on in this delivery of government services is pathetic, Mr. Chairman, because it is obvious to all people who have anything to do with Government Services, is the Sword of Damocles that the Member for St. Johns referred to earlier hangs over most of the Civil Service.

But while I am on my feet in this regard, Mr. Chairman, I want to give all the civil servants my assurance once again that when the government changes hands, as it will, that those people who are in positions now, however they got there, will be judged, as much as I can have any influence, on their merit; on their past performance politically I don't give a tinker's damn.

In fact in the former administration when we had need of an Assistant Deputy Minister to try and rebuild the correctional system in the Province of Manitoba, Mr. Perry Kelly told me candidly that he had been involved with the Conservative Party earlier and I said I couldn't care less. In fact, Mr. Kelly, in my judgment, worked himself to death in trying to save the people of the Province of Manitoba. But for the Minister to answer the question once again, the question, and I think if no other way, that some citizen, perhaps this particular citizen of the Province of Manitoba right now, should take the government to court, that the Act of the Legislative Assembly of the Province of Manitoba has been circumvented and the Minister avoids the question.

Now I know from time to time that this occurs, because I was part of a government that passed an Order-in-Council putting in place wage and price controls within the province. The wisdom of the Cabinet collectively was that that was within the keeping of the statutes which existed. They had that particular authority, but at a subsequent trip to court the judges ruled five to four that the Cabinet did not have that authority. It is the position of the Opposition in this regard of the



Civil Service Commission that this Act of the Legislature of the Province of Manitoba has in fact been circumvented.

And the Minister keeps throwing out that the Civil Service is happy; that we tried to circumvent the MGEA by giving contracts and a number of other red herrings, but the basic fundamental issue is, Mr. Chairman, that the Act has been circumvented.

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

**MR. URUSKI:** Mr. Chairman, the Member for Winnipeg Centre prompted me to make several other remarks with respect to the contract issue, Mr. Chairman, in that I wanted to remind the Minister and the government when he indicates that we, as government, over-utilized the issue of contracting out work by hiring people on contract I have to, to some degree, indicate to the Minister that I agree with the comments that he made.

I have no difficulty in saying to him "yes, I think many of my colleagues in some of the departments over-utilized the issue of contract appointments and hirings under our administration", and there is no doubt that my intentions were to move away, not totally, Mr. Chairman, because I think the minister himself will find himself in a very difficult position if he comes out and makes a blanket statement that "No, we will not hire anybody on contract," but, Mr. Chairman, if he thinks that the MGEA will be very happy with that move, I think the MGEA and he should know what he and his colleagues are doing.

By indicating that "yes, we will reduce the numbers of people employed under direct contract within the Civil Service", what the government is doing — they are replacing that move by doing what in the area of accounting? They have contracted out to private firms the issue of accounting in Crown agencies rather than having the employment through the provincial auditors, they will contract out, and I believe, at a greater cost to all the people of this province.

No. 2, they will contract out and have consultants doing the work like in the Department of Economic Development, even in his department in Northern Affairs to do work in engineering and the like in northern Manitoba. —(Interjection)—

The auditors, as I have mentioned, those are just several areas where they have said "No, we won't hire under contract, dear union, you can rest assured we will not hire, so you won't have to be worried about trying to locate these people in the Civil Service if you want to have them in your bargaining unit; you won't have to find them and look at them, we will do it, we will do it right in front of you. We won't hire people to the Civil Service, we will take in a million or two million dollars and we will plunk it to the private sector and they will do the work for us in the accounting and engineering and the like."

You will circumvent the entire governmental process and then you will be able to stand up in this House and say, "See, people of Manitoba, we have reduced the Civil Service by so much and we are still operating," not saying that we have spent one or two or three million dollars or more a year on contracting out to private individuals in the private sector and replacing that employment by the private sector. That's the move that you will make.

You should at least get up and acknowledge that your government is consciously making that decision and moving the Expenditure of government from the public sector to the private sector, and at least you're transferring those revenues to the private sector. If you have any gumption, then at least add \$15,000 or whatever an average salary to the amount of money that you're contracting out, and add those staff man years to the new services that you're providing; then you will have a more accurate picture as to whether the Civil Service is being reduced or it's not being reduced because you have shifted your expenditures from the public to the private sector.

**MR. CHAIRMAN:** (b)—pass — the Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Chairman, the minister has not responded to the accusation of undermining the Board of the Civil Service Commission, therefore I'm dropping that.

I want to deal with the point raised by the honourable member who just spoke on Staff Relations Branch — and that's a matter that causes me concern — the minister hasn't responded to that. I was surprised, Mr. Chairman, when I saw that the Civil Service Commission now has under it, and the Civil Service Commissioner has under him Employee Relations Division, which on Page 18 of the 61st Annual Report states that this branch represented the government in the negotiations of 16 collective agreements involving a number of major Civil Service bargaining units. During 1978, Staff Relations Branch represented certain Crown agencies, and there's a fair list of them. Then they're negotiating with bargaining units representing various professional employees employed by the province, Manitoba Association of Crown Attorneys employed by the Attorney-General, Organization of Professional Engineers employed by the province, Manitoba Medical Association

representing doctors employed by the province, Legal Aid lawyers representing attorneys employed by Legal Aid Services, and goes on to say, Mr. Chairman, "The Staff Relations Branch continued as an important function, the provision of advice and assistance to departments in handling grievances initiated under the various collective agreements."

Mr. Chairman, this is a function of management, this is a function of the employer; and I want to hear from the minister — and there is still time today to hear from him — the manner in which the Civil Service Commissioner can be responsible and in charge of the Staff Relations Branch and still maintain the objectivity which the Civil Service Commission, undermined as it has been — and I'm not forgetting that — can deal with appeals that come before them from members of the Civil Service under the Civil Service Act?

How do they divorce the function of advising departments on handling grievances and in the preparation and presentation of argument on behalf of the employer before Boards of Arbitration, when at the same time under the Civil Service Act is the Commission, supposedly independent, supposed to adjudicate? I think that's a very important point raised by the honourable member. I think the minister should respond to that.

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

**MR. MacMASTER:** Mr. Chairman, your grievances process up through the departments — and I don't know whether the Member for St. Johns appreciates that — that's where your grievances go, and they go up through the departments, through the MGEA and if necessary on to arbitration.

**MR. CHERNIACK:** Well, Mr. Chairman, let's look at the Civil Service Act. I am subject to, not only being corrected, but being shown the correct way. It seems to me that under the Civil Service Act, a civil servant who feels that he has not been promoted when he should have been or feels that he was demoted when he should not have been, —(Interjection)— but I am dealing, Mr. Chairman, with the Civil Service Act and the right of people to appeal. I am saying that the person responsible for planning the employer's side of a difference of opinion, are also the objective judges. I believe the minister has pointed out that they do not judge the same people who would have grievances dealing with Staff Relations Branch, but I'm also talking about a management problem — a philosophic approach — a Staff Relations Branch which comes under the Civil Service Commissioner, which has to think in terms of employer rights and employer arguments; and that same Civil Service Commissioner, who is responsible for the proper management and advice being given in those aspects also sits on the Commission to adjudicate appeals that come to them under the Civil Service Act.

Now, maybe the minister has not sufficiently explained to me how it operates, but I look at Section 25, "An employing authority or any person designated may suspend for a period not exceeding two weeks, an employee under his authority whom he considers to be negligent in the performance of his duty. The suspension has to be reported to the Commission. The Commission may extend the period of suspension beyond two weeks," and I believe that there is then certain rights for review by the Commission, and I want to know just what conflict does not take place, if there is none. Let the minister clarify it for me.

**MR. MacMASTER:** Mr. Chairman, your employing authority that you refer to is your department; it's not the Civil Service Commission, and that's where your grievances come up through and go on into arbitration. The appeals that I think — and I don't want to say the member's confused — but where the confusion may be the appeals that I think . you're possibly referring to, would be the excluded employees. They appeal to the Civil Service Commission.

**MR. CHERNIACK:** Mr. Chairman, I do appreciate it, and it's true I was confused, but now I think I understand that the minister is saying that there is one group of employees that under the MGEA agreement go through grievance to arbitration, and there is another group of employees that are excluded from the umbrella coverage of the agreement, who go to Civil Service Commission.

But I am talking about a branch of the Civil Service Commission which comes under the Civil Service Commissioner, whose task it is to advise departments on handling of grievances and therefore, as far as I am concerned, on dealing with the employer rights. Does it mean that no minister can turn to the Staff Relations Branch and say, I have dealt with an employee who was out of scope of the agreement? How shall I handle this problem? Is it not conceivable that a minister will do that? Is it not conceivable that he has a right to do it? What is more, is it not conceivable that the Civil Service Commissioner will, being responsible for the work and development of the procedures as outlined by the branch, find that in his own mind there can be a conflict between

the independence of adjudication on appeals, complaints under the Civil Service Act, with what he has learned to develop on behalf of the employing agency in government, various departments, under the Staff Relations Branch. Is the minister saying that there cannot be a conflict?

**MR. MacMASTER:** I really don't think there could be a conflict, Mr. Chairman. The role of the staff, Staff Relations, is to advise the department now, that they should be acting in accordance with the collective bargaining agreement, and if the collective bargaining agreement people do not feel that the department is dealing with them fairly, then they have the arbitration grievance procedure to follow through.

The Staff Relations Group are not the Commission. The Commissioner is the only one that sits on the Commission — one of three — —(Interjection)— one of six that sits on hearings, and your excluded people are the ones that would go to the Commission for an appeal.

**MR. CHERNIACK:** Yes, Mr. Chairman. The minister has made clear now the different methods by which civil servants of both categories, both those covered and those not covered, are there but he still has not dealt with the fact that under the Civil Service Commission, assigned by this government, comes the whole concept of staff relations.

**MR. CHAIRMAN:** The hour being 4:30 p.m. Private Members' Hour.

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

### IN SESSION

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

**MR. ABE KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that Report of Committee be received.

**MOTION presented and carried.**

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

**MR. JORGENSON:** Mr' Speaker, I believe there is a general disposition to dispense with Private Members' Hour. Accordingly I would move, seconded by the Member for St. George that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:30 p.m. Monday.