



Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

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Speaker*



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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 20 June, 1983.

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

RETURN TO ORDER NO. 9

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: Mr. Speaker, I beg leave to file a Return to Order of the House, No. 9, dated December 15, 1982, on the motion of the Honourable Member for La Verendrye.

MR. SPEAKER: Notices of Motions . . .

INTRODUCTION OF BILLS

HON. R. PENNER introduced Bill No. 97, An Act to amend The Queen's Bench Act; and Bill No. 98, An Act to amend the Queen's Bench Act and to repeal The County Courts Act, The Surrogate Courts Act and The County Court Judges' Criminal Courts Act and to amend The Municipal Boundaries Act. (Both recommended by Her Honour the Lieutenant-Governor).

INTRODUCTION OF GUESTS

MR. SPEAKER: Before Orders of the Day may I direct the attention of honourable members to the gallery where we have 16 students of Grade 8 standing from the Leaf Rapids Educational Centre. The students are under the direction of Mrs. Goodwin and the school is in the constituency of the Honourable Minister of Northern Affairs.

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

ORAL QUESTIONS

Manitoba Public Insurance Corporation

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Minister responsible for the Manitoba Public Insurance Corporation. The Manitoba Public Insurance Corporation has recently distributed a detailed questionnaire to all of their agents asking questions about the agents involvement in various other aspects of insurance, life insurance, sickness insurance, etc. There is a considerable amount of detail in this

questionnaire, Mr. Speaker, and I would table a copy for the information of the House.

My question to the Minister responsible for MPIC is, does the government plan to proceed this Session with making provision for MPIC to enter into the life insurance field, sickness insurance, etc.?

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

HON. J. BUCKLASCHUK: Yes, Mr. Speaker. The document that is referred to by the Member for Turtle Mountain is part of the study that has been undertaken by MPIC and it's a study that I've referred to some two or three weeks ago. It's a study to determine the feasibility of MPIC becoming involved in the life insurance sector.

MR. B. RANSOM: Mr. Speaker, this questionnaire was dated June 14th and says that it must be received no later than June 22nd. Why is the Public Insurance Corporation proceeding in such haste?

HON. J. BUCKLASCHUK: As I indicated, the results of this survey will be part of the report that will be presented to me and to the government. The Public Insurance Corporation has undertaken a fairly tight time line and in order to have the report to me by a given time it was necessary for them to have the response from the agents by the date indicated.

MR. B. RANSOM: Mr. Speaker, on what date does the Minister responsible for MPIC expect to have the report from the corporation?

HON. J. BUCKLASCHUK: It's anticipated we will have a final report some time in August.

MR. B. RANSOM: Mr. Speaker, a further question to the Minister responsible for MPIC.

At a time when this province has a record of 52,000 people unemployed, a figure which has not declined from April to May; at a time that the province is earning a reputation as being anti-business through the implementation of its 1.5 percent payroll tax, which amounts to a sales tax on labour; the fact that the government has had to increase its sales tax and is running spending at a level twice as high as the average of the other provinces in Canada, why is the government finding it necessary at this time to begin to deal with questions such as this questionnaire deals with?

HON. J. BUCKLASCHUK: As the Member for Turtle Mountain is aware, in the Speech from the Throne last December, we had indicated we would be doing a feasibility study. I don't know how a feasibility study is done without being apprised of the facts.

Licensed Practical Nurses - morale, etc.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. SHERMAN: Mr. Speaker, my question is to the Honourable Minister of Health. I would ask him, Sir, whether he met today or is he meeting later today, as he indicated in the House last week, with representatives of the Licenced Practical Nurses?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Yes, Mr. Speaker, I am very pleased to report that we've had a good meeting at noon today with the LPNs. It was agreed that there would be a committee set up. I think we have to address the question once and for all, of all staffing in hospitals. I am talking about not only LPNs but the diploma nurses, degree nursing, LPNs, aides and orderlies. So I intend to have a committee that will provide us with information to have a report that would lead, I would hope, to a policy statement of this government on that.

In the meantime, our staff has been in touch with Brandon, and they've agreed that they will not reduce the numbers of LPNs working in Brandon any more, and I've asked staff to discuss this with the Health Sciences Centre. As you know, the boards, the way they are composed now, could tell us to go and peddle our papers. We're trying to persuade them that until this is resolved, that they go easy on the reduction of that.

I've heard the representation of the LPNs, and I think that they have reasons to have some concern and we hope to look into it right away.

MR. L. SHERMAN: I thank the Minister for that information, Mr. Speaker, and I'm sure that the Licenced Practical Nurses of Manitoba will be happy with that beginning of a reassurance. But I would ask him, notwithstanding the study that is going to be carried out, was he asked by the LPNs with whom he met today for assurance, that this government will not move to reduce or phase out the category of LPNs in the nursing spectrum in Manitoba?

HON. L. DESJARDINS: Mr. Speaker, I think they were satisfied with the meeting and the decision that was made. The government is not moving in that direction, but there is a possibility that the hospitals could through the Director of Nursing. Now, there is no way that I would like to prejudge what would happen in this study. It is a study that I would hope will not be dragged on for years or months. It's something that should be done fairly soon. I think it's impossible to give him any concrete policy statement at this time until we look at the study, the question of the cost and the question of the education of these different groups that I mentioned, and so on. They seemed to be pleased with the start with this.

MR. L. SHERMAN: Mr. Speaker, will the study take into account a concern that had been raised with me, and I'm sure with the Minister, that some of the LPNs in Brandon and Winnipeg feel that the staffing patterns in their respective hospitals are being manipulated - to use their term - being manipulated by interests in nursing administrations who favour ultimately an entire conversion of the system to the baccalaureate nurse?

HON. L. DESJARDINS: Definitely, I think that's one of the most important points, and this is what I meant,

might as well come clean. This is what I meant earlier when I said that I thought they had a valid point. That's my feeling because of other factors and other statements that I've heard. We will look at that.

For the immediate, I think there's two things: long-term planning, a decision, and a policy statement as soon as possible. In the meantime, try to prevent this from continuing or spreading. So this is why we contacted Brandon. They assured us that they will not reduce the components and staff. We will discuss with the Health Sciences Centre at this stage.

Manitoba Tourism Industry

MR. SPEAKER: The Honourable Member for Morris.

MR. C. MANNES: Thank you, Mr. Speaker. I'd like to pose a question to the Minister of Economic Development and Tourism.

Mr. Speaker, on June 3rd, there were releases from Destination Manitoba Branch, indicating that three proposals had been accepted under various programs in that department. I'm wondering if the Minister can tell me under which program of the tourism industry, Rural Destinations Area Program, which program that Cranberry Portage, Selkirk and the Children's museum received grants.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. M. SMITH: Mr. Speaker, since there are several programs, I would like to take it as notice.

There are three programs that are giving grants for Capital development, and then there are three other programs that give grants for attractions for tourism organization and for planning. So if I could have those names, I will undertake to get the information for the member.

MR. C. MANNES: Mr. Speaker, I am wondering if the Minister could tell me whether there have been any announcements under Program No. 3, the tourism industry, "Rural Destination Areas Program."

HON. M. SMITH: Mr. Speaker, these are joint announcements and as yet, we haven't made the joint announcements under that program.

MR. C. MANNES: Mr. Speaker, I am wondering if the Minister could tell me when Manitobans can expect some determination or some definite announcements under that particular program.

HON. C. SMITH: Mr. Speaker, there will be announcements within a week, I would say. Sometimes we have to moderate our date, depending on the travel agenda of the Federal Minister if he wishes to be here for the joint announcement; but it's our intention to move those as quickly as we can and the money will all be committed by next March.

MR. C. MANNES: Mr. Speaker, I would ask for a further clarification then as to whether these announcements will be made during this month of June,

and whether specifically some decision has been reached regarding the application by a group from Morris who have applied under this program for Capital support to put up and build a museum - an application by the way, Sir, which was forwarded to the Minister last November 4th - and I'm wondering how much longer this group and groups like it, who have applied over that period of time, will be kept in waiting.

HON. M. SMITH: Mr. Speaker, I can't be more specific than I was in my previous answer as to the - whether it will be before the end of June - some should certainly be out by then. With regard to the specific one, again, I'd like to take that as notice.

The time between initial application and the final announcement is not, however, spent with an application just sitting in a pile. The development officers are working with the applicants to ensure that they meet all the criteria and that they have a good plan because the goal of the program is to have attractions and facilities which are economically viable. So a lot of this intervening time is going into that sort of planning.

Provincial Road Conditions

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker, my question is for the Attorney-General.

Mr. Speaker, from time to time municipal councillors and reeves have gone through the problem in the spring of road restrictions causing traffic to be transferred from provincial roads to municipal roads. Could the Attorney-General indicate whether it is within the jurisdiction of enforcement by the RCMP, that should a municipal council pass a by-law duplicating road restrictions on municipal roads, would the RCMP be responsible for enforcement of that road restriction by-law as passed by a municipality?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: It is generally the case that the RCMP do not enforce municipal by-laws. They leave that to the municipal constabulary, whatever that may be, but it is not generally the case that the RCMP, as I say, enforce municipal by-laws.

MR. D. ORCHARD: Mr. Speaker, I thank the Attorney-General for that answer and I have a question now for the First Minister.

Could the First Minister, in view of the fact that his Minister of Agriculture and his Minister of Finance in Morden Thursday - some 10 days ago - indicated that municipalities could overcome the spring road restriction problem by simply passing a municipal by-law which would be then enforced by the RCMP as a solution to their problem? Would the First Minister, in the interests of providing correct information to the municipal councillors, write to those councillors that were present at the Morden meeting who were given the answer that the RCMP could enforce such a by-law and correct that error in statement made by his two Ministers?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, I was at that meeting in Morden too but I left early and I'm not sure of the context of the comments that had been made. I'll take the question as notice and ascertain whether, indeed, those statements were made.

Manitoba Tourism Industry - campsites

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Thank you, Mr. Speaker, I direct my question to the Minister in charge of Parks and would ask him, in view of the tighter economic conditions and the high cost of gasoline, many Manitobans are now taking their vacations and spending their weekends in Manitoba rather than heading for other spots. This seems to have created a shortage in campground facilities particularly in the Whiteshell and I'm wondering if the Minister could inform the House whether or not he will be providing more campsites in the Whiteshell area for campers who wish to spend their vacations as well as their weekends there?

A MEMBER: Good Idea.

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I think the honourable member is quite right, that more and more people are exercising a very good opportunity to see Manitoba first and I compliment those people that make that decision.

It is true that there is a great demand for camping facilities. We intend to reflect the nature of that demand in our future programming for the Whiteshell. I am sure that there will be more provision for more camping in the near future. I don't believe that this year we're opening any new campsites, but it is certainly our plan to enlarge camping facilities in the Whiteshell in the coming years.

MR. R. BANMAN: In light of the fact that a lot of people are sending down members of their family on a Thursday already to just set up either a pup tent or leave an article of personal belongings to them, like a boat or something, on the campsite just to reserve that site - and that means that the utilization of that site is not taking place during that particular time when just for reasons of claiming the site so that they can have it for the weekend - in light of that growing problem in the Whiteshell, and in particular where there is now a lot of pressure for campsites, would the Minister not ask his department to look where some facilities in the Whiteshell can be made available and gotten ready maybe in the very near future to facilitate this increased amount of camping activity in the Whiteshell where people want to go, but now are being turned away because of the over-utilization of many of the areas?

HON. A. MACKLING: Mr. Speaker, certainly I will discuss the camping needs in the Whiteshell with my staff, but I would like to indicate while I have the opportunity, that we have campground facilities in many

parks and I would urge Manitobans to take advantage of the diversity of our parks and our camping facilities to look at them all.

I know that the honourable member says that there is a particular problem now. I reflect years back when this problem existed and I know that I, for one, slept overnight in my trailer in order to be there first thing in the morning in order to register for a campsite. It's not a problem that is new or unique to this year; it has existed for many many years. I think there has been a growing demand for more camping facilities and I believe that our government's policies will answer those demands.

Pasquia Dikes - The Pas

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I direct a question to the Honourable Minister of Natural Resources.

Over the weekend, news reports indicate that a situation is developing at The Pas, at the possible agricultural area that threatens the continued existence of some dikes in that area - a suggestion that caterpillars will be used to bulldoze those dikes aside unless a satisfactory transfer of land that has been outstanding for some time can be concluded - can the Minister indicate to us just what is the situation at The Pas?

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Yes, Mr. Speaker, the honourable member does note the article in the newspaper that I saw myself and I have reason to believe that the Pasquia Dikes were built many many years ago, certainly prior to this government taking office and I believe years before the previous administration. There has been an outstanding claim in respect to compensation for the area taken up in the dikes. It's my understanding that the land, in compensation for the claim, has been made available to The Pas Indian Band, but formal transfer of title has not occurred. That I think is the grievance; certainly, we are looking into it to see whether we can expedite it.

I think part of the problem may well involve identification of the proper legal formalities and surveys and so on, but I don't believe that there is an imminent threat upon the diking system. If I did believe that, I would certainly leave the Chamber immediately and put in a long distance call to the chief. But I know that they are anxious to get completion of the transfer, and I suppose that's the reason that they're talking pretty tough.

MR. H. ENNS: Mr. Speaker, I want to assure the Honourable Minister, like most worthwhile developments they were undertaken long before this administration achieved office - in fact this one dates back to 1953 and 1955 - but the question is, the threat has been made that unless a transfer is effected by July 1st, physical action will be taken by the band at The Pas.

Mr. Speaker, this same Minister allowed illegal dams to be built on the Fisher River. I am simply asking, if not for me, then at least for his member, the Member

for The Pas, will the Minister undertake to apprise himself of the situation?

HON. A. MACKLING: Mr. Speaker, in partial response to that speech made by the Honourable Member for Lakeside, I want to assure that honourable member and all members of this House, that we will act with dispatch to deal with not only that long-standing problem that has existed without resolution for too many years, but other problems of like nature that were left unanswered by the previous administration.

Robert H. Smith School renovations- financing

MR. SPEAKER: The Honourable Member for River Heights.

MR. W. STEEN: Yes, Mr. Speaker, I would like to direct a question to the Minister of Education and ask her if she has received the report from the School Financing Board re the structural engineering report on the Robert H. Smith Elementary School.

MR. SPEAKER: The Honourable Minister of Education.

HON. M. HEMPHILL: Yes, Mr. Speaker, I am quite pleased to indicate for the member opposite that I have made the announcement today that the structural reports are into the Public Schools Finance Board. They came in on Thursday. They indicate that both the 1919 section and the 1929 section are both capable of being renovated. The Public Schools Finance Board met on Friday and gave their approval to the renovations. They have met with the Winnipeg School Division this morning where both sides are working to move as quickly as possible to begin the renovations so that they will be ready for the children in the fall.

MR. W. STEEN: To the same Minister, Mr. Speaker. Did I hear her correctly when she said that she had hoped and expected that the new renovations would take place this summer and that the school would be back in order this fall, September?

HON. M. HEMPHILL: Mr. Speaker, that's what all parties are working towards. Both sections are structurally sound; both can be renovated. The Public Schools Finance Board has offered full support and, in fact, I think has offered to the Winnipeg School Division some support and help in doing the structural underpinning while the school division gets on with the job of doing the renovations. Both sides met today; they're moving as quickly as possible, and the intention and the purpose is, and the hope is, that it will be ready for the children in the fall.

Speed-up resolution

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, my question is for the Attorney-General in his capacity as House Leader. The

Session is now some several months long, Mr. Speaker, and we are perhaps coming close to finishing Supply. It may even be possible that Supply will be finished today. Does the Government House Leader plan to introduce the Speed-up Resolution in the near future?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I will expect to make an announcement about that before the end of this week.

Closure of debate - Bill 3

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, it has been reported that the government is considering implementing closure on debate of Bill 3. Can the Government House Leader give assurance to the House that indeed, there will be a full and complete opportunity for debate on such an important issue?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: There has been no consideration given to something described by the Opposition House Leader as closure at all.

Election Financing Act - public opinion

MR. B. RANSOM: Mr. Speaker, it is reported that over the weekend the council of the New Democratic Party chastised the government for their stand on the abortion issue, and that stand was justified by the First Minister as saying that it reflected public opinion. Does the First Minister intend to withdraw such offensive bills as The Election Financing Act which clearly do not reflect public opinion?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, The Election Finance Bill has been introduced. It is our view that it is a bill which makes sense, which is consistent with what has taken place in other jurisdictions, and it will be proceeded with.

Committee meeting schedules

MR. B. RANSOM: A question to the Attorney-General in his capacity as House Leader, Mr. Speaker. The Industrial Relations Committee is slated to meet tomorrow morning at 10 o'clock. According to the Order Paper there is only one bill referred to it, that being the Jobs Fund, which was passed through second reading some five or six weeks ago. Are there any other bills to be referred to that committee tomorrow morning?

MR. SPEAKER: The Honourable Attorney-General.

HON. R. PENNER: I would have no objection if the Opposition House Leader concurred of transferring

some of the non-controversial bills, standing on Law Amendments, to that committee if he's of the opinion that the discussion on the Jobs Fund bill will not take all morning.

MR. B. RANSOM: Mr. Speaker, I'm simply attempting to determine what the government's intention is with respect to facilitating business. The committee on Hydro is slated also, according to the Order Paper, to be meeting tomorrow morning. Can the Government House Leader give the assurance that both the Chairman and the Chief Executive Officer of Hydro will be present tomorrow morning?

COMMITTEE MEETINGS

HON. R. PENNER: The Opposition House Leader has anticipated some announcements I was going to make at the end of Oral Questions period, but I'd be quite happy to make them now.

First of all, the Standing Committee on Public Utilities, previously announced for tomorrow morning will not be meeting tomorrow morning, precisely because it's not possible to make available to members of the committee, for their questions, the officials of the Hydro particularly. We wanted to have both Hydro and Manitoba Telephone System considered at the same time, so that committee will be re-scheduled for a little later in July.

With respect to other committee meetings, it is the intention to call the Standing Committee on Municipal Affairs for Thursday - tentatively announcing that for Thursday evening - but I hope to be able to re-schedule that for Thursday morning so it doesn't conflict with the sitting of the House; that's Thursday, June 23rd. I'm unable at this point to get in touch with the Minister to make sure we can make that switch.

I would like, while I'm on my feet, Sir, to announce a meeting of Law Amendments for Tuesday, June 28th at 10:00 a.m.

MR. B. RANSOM: Mr. Speaker, why is it not possible to have the Manitoba Telephone System appear before the Public Utilities and Natural Resources Committee tomorrow?

HON. R. PENNER: It may be, and I'll have to confer with the Minister in charge of the Manitoba Telephone . . .

HON. S. LYON: You've got to get your act together, "may be tomorrow morning."

HON. R. PENNER: . . . I'll wait until the Leader of the Opposition is finished monopolizing the attention of the House from his sweaty little seat. — (Interjection) — I know what to do and I'm doing very well without your advice, thank you. The Business of the House is running very well, in exactly the rhythm that we want it to run, and I need no advice from that person over there.

I am not going to schedule a meeting of the particular utility that's the responsibility of another Minister, without conferring with that Minister to make sure that the officials who they want to have there and who they wish to question, are available.

MR. B. RANSOM: Mr. Speaker, it's already been called. The Government House Leader announced it in the House last week. It's on the Order Paper today dated Monday, June 20, that Manitoba Telephone System will be before the committee tomorrow morning. Some members on this side of the House try and order their business around what the Government House Leader says is going to happen in this House. Now, why is it not possible to proceed with Manitoba Telephone System as per the Order Paper?

A MEMBER: Get your act together, Rolly.

HON. R. PENNER: Mr. Speaker, we have our act together. It seemed to us in terms of efficiency that since we were unable to have available for the members of that committee the senior officials of Hydro for tomorrow; and since it seemed to us that both the utilities, Manitoba Telephone System and Hydro, the business with respect to both of them, could be completed in one session, that it made sense not to tie up some 11 members of the House in two meetings when it could be done in one meeting. That, Sir, is the way to run House business; and that, Sir, is the way we will run House business, and we don't need the hectoring, or heckling, or sniping, or snide remarks of people like the Leader of the Opposition to assist us in that way.

HON. S. LYON: You're just a bloody totalitarian, that's all.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, the Government House Leader speaks of so-called efficiency in his calling of committees. Will the Government House Leader confirm to the House that both Manitoba Telephone System and Manitoba Hydro could have been called before the Standing Committee as early as December of 1982?

ORAL QUESTIONS Cont'd

Hockey franchise - St. Louis

MR. SPEAKER: Oral Questions. The Honourable Member for River Heights.

MR. W. STEEN: Yes, Mr. Speaker. I'd like to direct a question to the First Minister and ask him, as a Western Canadian, if he and his government are prepared to join the Government of Saskatchewan and the Government of Canada, in supporting the citizens of Saskatoon in their bid to have the National Hockey League review the possible transfer of the St. Louis hockey franchise to the City of Saskatoon?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, certainly we'd be delighted to consider that; we have not received a request, but if we could be of assistance I'm sure that this government would be quite pleased to consider an offer for such support.

MR. W. STEEN: Mr. Speaker, if the First Minister and his Government are prepared to offer such support would he go on record, by writing a letter to the Winnipeg Jets Hockey Club, indicating his government's stance in regard to the Saskatoon entry?

HON. H. PAWLEY: Mr. Speaker, I'll take that question as notice. I should just point out that we do have excellent arena facilities in Cross Lake and maybe we should encourage Cross Lake to make application.

MR. SPEAKER: The Honourable Member for Morris.

Grain handling - West Coast dispute

MR. C. MANNESS: Thank you, Mr. Speaker. I'd like to pose a question to the Minister of Agriculture, surrounding the West Coast grain-handling dispute.

I'm wondering if the Minister of Agriculture feels comfortable with the present state of affairs of negotiation in the West Coast, a dispute where the mediator has quit apparently at this point, unable to resolve the dispute between grain handlers and the grain terminals.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, certainly, we were concerned from the beginning when indications were that there may be the possibility of a dispute. However, Sir, the honourable members recall that we raised this matter during my recent trip to Ottawa with both the Department of Labour and the Minister responsible for the Canadian Wheat Board. We were assured that they were trying to do what they can. We would still continue to urge both parties to get to the bargaining table and finalize the situation so that no disruption in the movement of grain occurs.

MR. C. MANNESS: Mr. Speaker, I'd ask the Minister if he feels that a 9.5 percent increase in wages, as requested by the grain handlers, is a fair request or whether the 5.5 percent offered by the grain handlers. In other words, most of the organization owned by western farmers, the 5.5 percent increase offered by them is not a fairer request?

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

HON. R. PENNER: Yes, he's asking the Minister to offer an opinion on labour negotiations taking place on the West Coast that are not any part of his jurisdiction or any part of his administration for which he is directly or indirectly answerable, and it's a question that is not in order.

MR. SPEAKER: Perhaps the honourable member would wish to rephrase his question so it concerns a matter within the administrative competence of the government.

The Honourable Member for Morris.

MR. C. MANNESS: Mr. Speaker, can I speak to the point of order please, or have you ruled?

MR. SPEAKER: That is the ruling.
The Honourable Member for Morris.

MR. C. MANNES: Mr. Speaker, then I would ask whether the Minister now understands why this party indicated that they wish to see debated, along with the Crow rate, a resolution dealing with labour disputes on the belief that Canadian and Manitoban farmers thought that was also a very essential issue. I'm wondering whether now the government and the Premier and the Minister of Agriculture will take heed and understand why this party brought it forward, and whether in fact it wasn't a mistake on the government's part in not allowing that resolution to bring forward that amendment.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. B. URUSKI: Mr. Speaker, I appreciate the honourable member's comments. The honourable member is well aware of the rules of this House, that if he wishes to have a separate item debated, he knows what procedures to undertake.

Certainly, Mr. Speaker, to this side of the House, all matters pertaining to the impact on agriculture and the farming community, and farmers in general, are of concern to members on this side.

Elections for Mayor - Winnipeg

MR. SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Mr. Speaker, I have a question for the First Minister. Will the First Minister be endorsing and supporting his colleague, the Member for Ellice, in his seat in the mayoralty of the City of Winnipeg in opposition to the incumbent Mayor, Mr. Bill Norrie?

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

HON. R. PENNER: That too is clearly a question out of order. It's asking for the personal opinion of the Premier or his particular opinion. It's clearly not something within the ministerial jurisdiction of the First Minister in any way in any one of his capacities.

MR. SPEAKER: Perhaps the Honourable Member for Lakeside would wish to rephrase his question.

MR. H. ENNS: On the same point of order, the record will show that question was asked of the Leader of the Opposition when he was Premier. It was asked whether he would be supporting the brother of a colleague of his at that time, the current Member for River Heights. So I'm just suggesting, Mr. Speaker, that question was quite in order.

Mr. Speaker, I asked the question very seriously. Will this Premier, will this government actively support their colleague in his seeking for the mayorship of the City of Winnipeg, running on the same ticket, and indeed no doubt providing him with whatever helpful advice, inside information, as may be helpful to such a candidate in his bid to unseat the present Mayor, Mr. Bill Norrie?

MR. SPEAKER: The Honourable First Minister.

HON. H. PAWLEY: Mr. Speaker, this government will not be endorsing any particular candidate involved in municipal elections. In my own personal case, Mr. Speaker, for the information of the Member for Lakeside, I am a resident of Ward 3 in the Rural Municipality of St. Andrews in Manitoba. I intend to vote in the reeve elections that may very well be occurring in October of this year in the Rural Municipality of St. Andrews, and I will also be casting my vote for one of the council candidates in Ward 3 of the Rural Municipality of St. Andrews in the Province of Manitoba.

MR. H. ENNS: Mr. Speaker, I'm assuming of course, the reason for the question doesn't escape honourable members opposite, and that is a concern about the continuing relationship between this government and the City of Winnipeg, the largest municipality, incorporated city and town that we have in this province.

My question to the First Minister is: What instructions will he be giving his Cabinet Ministers, his members of Executive Council, with respect to using their provincial positions in support of one of their colleagues that is seeking this office?

HON. H. PAWLEY: Mr. Speaker, I will be issuing no instructions to any members of the Executive Council, any members of my caucus; except I would hope that they would use their democratic right to vote, as indeed I will be doing so in the Rural Municipality of St. Andrews.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before Orders of the Day, may I direct the attention of honourable members to the gallery. We have 32 students of Grades 1-6 standing from the Menville Elementary School, who are under the direction of Mr. Thiessen. The school is in the constituency of the Honourable Minister of Agriculture.

There is also in the gallery a Milka Pokupec, who is here to receive a lifesaving award this afternoon.

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

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader.

HON. R. PENNER: Mr. Speaker, would you please call the second readings on Bill 72 and 76, and following that, Sir, with the third reading on Bills 4 and 5. After that, it'll be my intention to move the motion on Supply.

COMMITTEE CHANGES

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. R. BANMAN: Mr. Speaker, I wonder if it would be possible to make a couple of changes on committee.

On the Standing Committee on Public Accounts, the Member for River Heights for the Member for Minnedosa.

On the Standing Committee on Law Amendments, the Member for Kirkfield Park for the Member for Rhineland.

On Industrial Relations, the Member for River Heights for the Member for Minnedosa.

SECOND READING - GOVERNMENT BILLS BILL 76 - THE CROWN LANDS ACT

HON. A. MACKLING presented Bill No. 76, An Act to amend The Crown Lands Act for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. A. MACKLING: Mr. Speaker, the Honourable Member for Pembina has obviously been indulging in something over the weekend that has made him very loquacious; he seems to want to monopolize the time of the Legislature by non-sensical comment. I am here to introduce some amendments to The Crown Lands Act. The honourable member wants to apologize, I guess, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Pembina on a point of order.

MR. D. ORCHARD: Mr. Speaker, on a point of order, the Minister of Natural Resources indicated that I was making some loquacious comments on the basis of activities I undertook over the weekend. I want to assure the Minister of Natural Resources that over the weekend I spoke to approximately 200 very concerned Manitobans who are anxiously awaiting their chance to rid Manitoba of this incompetent government, and that is what has made me so vocal today, in getting the reception I got against this incompetent gang in government.

MR. SPEAKER: Order please. I think the honourable member is aware that is not a point of order.

HON. A. MACKLING: Well, Mr. Speaker, that was quite edifying but, of course, it was no point of order. The honourable member wanted to put himself on record, by some kind of apology for all of those silly statements he makes from time-to-time from his seat.

Mr. Speaker, . . .

HON. S. LYON: If you can't play in the league, get out of the game.

HON. A. MACKLING: Well now, Mr. Speaker, we had the Leader of the Opposition, who's colouring himself up for something, I don't know what. Mr. Speaker, in introducing these amendments, only three of which are of a substantial nature, I have, nevertheless, taken the opportunity to do some improvements to the wording of the act itself.

Before I mention the three specific changes I'd like to make the point that we have a fairly successful Crown

Lands Act in Manitoba which seems to have satisfied the approaches of successive administrations; it has worn well.

The first change brings the collection of taxes more into line with common practice. The Crown, in the right of Manitoba, will now pay municipal taxes on lands held under lease or permit, and collect these from the tenant. The tenant will receive a composite statement covering land rental and taxes. The province will, in turn, pay the relevant taxes to the municipality.

I admit that this may seem a mundane change; let me assure you that I sense some relief in the municipalities; it is possible, without massive staff increases, because of computerization. In parallel, I expect upgrading of our records and a better identification of defaulters.

The second significant change of principle tightens the control, and increases the speed of reaction, to unauthorized use or occupancy of Crown land where damage, safety or public interest is involved. In effect, immediate corrective action is possible by authorized personnel. We lack this kind of legislative authority in the present act. It provides only for the serving of a notice and a court judgment prior to taking action.

Let me assure you that proper due process is not circumvented. There are many cases, however, where prompt preventative action is needed. For example, fire prevention or control, tree removal, pollution prevention, unauthorized clearing, for examples. I have coupled this provision with: stricter penalties and the means to ensure rehabilitation.

I'm sure members are also aware of some of the difficulties in cancelling a lease if this becomes necessary. It has been found that the present provisions, three month's notice, are enough to defeat some of the purpose of the notice. For example, a tenant in default may still get substantial use in a season if we do not shorten his period of notice from three to one month. Similarly the Crown is effectively prohibited from conversion to public use for three months. Compression to one month's notice is provided in the amendment.

As noted, I have touched on the major changes. My expectation is that the merits of all of the amendments before you will become self-evident and should receive early and easy approval. Mr. Speaker, it is my intention to send two copies of my notes, and two copies of the detailed amendments, to members of the Opposition so that they will have the benefit of the specific rationale for each of the amendments.

Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Lakeside.

MR. H. ENNS: I move, seconded by the Honourable Member for Turtle Mountain, that debate be adjourned.

MOTION presented and carried.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before calling the next bill may I direct the attention of honourable members to the loge on my left where there is a Member of Parliament for Western Arctic, Mr. Dave Nickerson.

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

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Mr. Speaker, I'm getting, again, some voluntary advice from another source now, one who generally is quite decorous in this Chamber, but perhaps he's been receiving some bad examples.

BILL 72 - THE WILD RICE ACT

HON. A. MACKLING presented Bill No. 72, The Wild Rice Act; Loi sur le riz sauvage, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

HON. A. MACKLING: Mr. Speaker, in introducing this bill, I would like to take a few moments to refer to the subject matter provided for in the Act.

MR. B. RANSOM: That's a good idea.

HON. A. MACKLING: The Honourable Member for Turtle Mountain says that's a good idea. Although I didn't hear the honourable member ask for an explanation, I thought it would be a good idea because I know the honourable member could have some difficulty understanding without that explanation.

As the Honourable Member for Turtle Mountain knows, because he was the past Minister of Natural Resources and knew well the problem that was associated in respect to the wild rice industry, and yet no Act or no resolution for those problems was brought forward by that former Minister, he knew, Mr. Speaker, as did other members, that there really have been no standards in the province for allocation of lakes. From 1975 to 1977, machine harvesting of wild rice started in the province without any control.

Mr. Speaker, poaching - that is, the unauthorized harvesting of rice - has prevented investment because of the risks involved. Leaseholders have held back from development of leases that they maintain because of a loss due to the poaching problem. Mr. Speaker, the Honourable Member for Turtle Mountain doesn't know how they poach rice. Well, during his tenure of office, I am assured that considerable poaching of wild rice took place and, as I indicated, it was the unauthorized harvesting of wild rice that was in areas that had been licenced or leased, but the honourable member perhaps was totally unaware of what was happening in his department.

Mr. Speaker, uncontrolled harvests of wild rice have been destructive to the wild rice resource. Unpredictable production has made for poor marketing. There has been a very poor record of sales and there has been really no basis for adequately monitoring the wild rice industry in Manitoba. Mr. Speaker, provisions of this Act will assist the industry. It will provide security of investment; it will preserve the traditional aspects of wild rice harvesting; it will place effective measures in order that poaching will be less likely to succeed. There

will be an emphasis on protection of the resource and this will be carried out with the resource management approach to wild rice.

Mr. Speaker, the honourable members opposite seem to be having some fun commenting derisively about the importance of this legislation. I don't think this is unimportant legislation to the people in the wild rice industry, Mr. Speaker. Mr. Speaker, the wild rice industry provides a very valuable seasonable income for Native people in Manitoba. In 1977, Manitoba recorded a production of 1,154,000 pounds - that's the information we have; it could be more or less - with a calculated lakeside price of \$1.31 a pound. This placed \$1.5 million in the hands of producers before processing.

Manitoba has enormous potential for increased production through intensive management of existing licences and development of new lakes. Mr. Speaker, I might here indicate that there is considerable interest in portions of Northern Manitoba, consistent with the kind of interest and development that has taken place in our sister province of Saskatchewan. Mr. Speaker, at present, Manitoba has three processing plants which process approximately 30 percent of an average crop. The balance of our yearly crop is sold in the green stage to markets particularly in the United States. By stabilizing the production of wild rice in Manitoba, the capacity for processing in Manitoba should develop. Long-term markets can be established when production is predictable.

Mr. Speaker, it is anticipated that this Act will correct some of the significant problems of the industry by providing long-term security by way of ten-year assignable and transferrable licences; a provision for the control of mechanical harvesters which call for input from licenced holders; the allocation of the resource by limiting the number of licences per person. There is a requirement that residents of Manitoba only may own a licence. There will be, pursuant to this bill, zones established to allocate wild rice areas for local residents of communities. By virtue of this bill, there will be the institution of a development licence for people to be able to test the capacity of a water body to establish a wild rice crop. There will be a permit requirement to purchase green wild rice in Manitoba.

A provision also will provide for a varied management to special areas such as the Whiteshell Park. We anticipate that in that particular area, which has a long history of involvement of Native people in a traditional wild rice harvest, there will be input by Native organizations and by the department as well to secure an effective management of that resource. We will also continue to provide for block licencing to communities that will allow them to arrange and manage their own areas.

Mr. Speaker, there is a considerable potential for the enhancement of wild rice development in Manitoba; a very valuable resource that has been recognized throughout North America and the world as an excellent protein crop, one that is established as a gourmet food. Mr. Speaker, we are confident that with due care and attention to this resource, which we are bound to provide, more people will benefit in Manitoba by the development of this resource.

As I indicated earlier, Mr. Speaker, I am sending copies of both the notes that I have used and detailed copies of the Act itself - and some references to particular

sections giving rationale for the wording of the sections themselves - to the Opposition critic for their better use in criticising or making positive comment in respect to the bill. Thank you.

MR. SPEAKER: The Honourable Member for Emerson.

MR. G. MERCIER: Mr. Speaker, I move, seconded by the Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

THIRD READING GOVERNMENT BILLS

BILL NO. 4 - THE MANITOBA OIL AND GAS CORPORATION ACT

HON. R. PENNER presented Bill No.4, The Manitoba Oil and Gas Corporation Act; Loi sur la société Manitobaine du pétrole et du gaz naturel, for third reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I move, seconded by the Member for Pembina that debate be adjourned.

MOTION presented and carried.

BILL 5 - THE SURFACE RIGHTS ACT

HON. R. PENNER presented Bill No. 5, The Surface Rights Act; Loi sur les droits de surface, for third reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Turtle Mountain.

MR. B. RANSOM: Mr. Speaker, I move, seconded by the Member for St. Norbert, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

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

MOTION presented and carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Jobs Fund; and the Honourable Member for Burrows in the Chair for the Local Government General Support Grant.

MR. SPEAKER: The Honourable Member for River East.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - LOCAL GOVERNMENT GENERAL SUPPORT GRANT

MR. CHAIRMAN, C. Santos: Committee please come to order. We are now considering the item titled Local Government General Support Grant. Does anybody wish to make any statement?

The Member for Turtle Mountain.

MR. B. RANSOM: Can the Minister advise us to what local governments this goes? I'm not speaking specifically, but the class of local government that it goes to.

MR. CHAIRMAN: The Honourable Minister.

HON. V. SCHROEDER: It'll be going to municipal governments and school divisions.

MR. B. RANSOM: I assume that takes in local government districts, as well, then?

HON. V. SCHROEDER: Yes.

MR. B. RANSOM: Why would this not go to school boards, as well, or is there another offsetting payment in the Department of Education for that?

HON. V. SCHROEDER: I said it does go to school divisions, as well.

MR. B. RANSOM: I'm sorry, to hospitals. Why does it not go to hospitals?

HON. V. SCHROEDER: Mr. Chairman, hospitals, most of them are entirely, but even the ones that aren't entirely, are almost entirely funded directly by the government, through the Manitoba Health Services Commission. The payments that are provided to the hospitals are negotiated, as the member knows, between the Board and the Health Services Commission, which takes into account all of the expenses that hospitals would be required to incur, and also takes into account any additions that hospitals might want to get involved in in the providing the medical services.

The municipalities and school divisions, of course, although they get some other funds from the Provincial Government, are in a position where they are, in addition to that, required to raise quite significant sums of money in other ways.

MR. B. RANSOM: Why doesn't the government just exempt the other governmental agencies from paying this tax?

HON. V. SCHROEDER: That's something I think we have to take a look at. Initially there was certainly no question, when the tax was imposed it had to be one that was quite universal, but not aimed specifically, for instance, possibly at some other level of government. Now that that matter has been resolved we should take another look at that, because it is a matter of taxing and then paying the money back.

On the other hand, as the member knows, there are many other taxes that are paid by other levels of government, such as, for instance, sales tax that we do charge to school divisions and municipalities and hospitals, etc. In those cases, of course, we don't provide any offsetting grant, although I'm sure they're taken into account when people sit down and discuss with government how much they are to receive.

MR. B. RANSOM: I assume, Mr. Chairman, that originally they were not exempt because the province didn't want to weaken their case in trying to get the Federal Government to pay up; but since it is a health and education levy, it certainly would seem to make sense that they would just exempt the health and education institutions and local governments - because the government has seen fit to make this sort of grant - and simply make the handling of it a much less problem and, I'm sure, reduce expense substantially. I'm sure that you don't make these kinds of grants and administer them without incurring some kind of cost, as well.

Can the Minister give us an indication of what sort of compliance there is with this tax now, the various categories of volunteer agencies, for instance, that have payrolls, and churches and such, and has anyone, or any agency, been prosecuted under this act yet?

HON. V. SCHROEDER: Mr. Chairman, I don't know of any prosecutions to date. There are, as with any new program, occasionally people to whom we send bills who don't owe us money. There's the odd individual or business that wasn't sent statements that did owe us money and those sorts of things; they're slowly being straightened out. Where we become aware that anyone owes money, and there's some complaints by staff that maybe there's not enough staff, but we have staff that are dealing with it and we don't seem to be running into any problems, at least none that have been brought to my attention.

MR. B. RANSOM: Are there any businesses or agencies that are refusing to pay, that are simply openly defying the government and challenging the government to prosecute them?

HON. V. SCHROEDER: Not that I'm aware of, no.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, what is the process by which either a school division or a municipal government would be entitled to getting their portion of this \$12,300,000.00? Is it by proof of remittance? What sort of verification?

HON. V. SCHROEDER: Municipalities and school divisions will be asked to file a formal application for the grant which will be paid to them in a lump sum this coming fall. The payment will be on the basis of 1.65 percent of each local government's net payroll costs for 1982, being an assumption that there would probably be a little bit of an increase from where they had been at that time.

MR. D. ORCHARD: I don't exactly follow the process. This fall, a school division, for instance, would file for the calendar year, or for the provincial fiscal year?

HON. V. SCHROEDER: This would be for the calendar year 1983. The grant comes in for 1983, and it is based on 1.65 percent of net payroll costs in 1982.

MR. D. ORCHARD: Then what we have here is a process by which - and I assume this same process would apply to municipal councils as well, City of Winnipeg, etc?

HON. V. SCHROEDER: Yes.

MR. D. ORCHARD: We've got a process by which here they go through an accounting process, assuming either monthly or bi-weekly depending on the pay period, whereby they're going to make a payment to the provincial treasury for payroll tax, and then once a year they're going to gather up all their information, all their payroll costs, and submit an estimated claim at 1.65 for the current fiscal year basis, 1.65 percent of the payroll cost on the previous year. There seems to me that this is costing not only the Provincial Government a reasonable amount of money, but certainly it has to add to the workload in every school division, municipality, City of Winnipeg, etc.

As my colleague, the MLA for Turtle Mountain, had suggested, if the objective of the tax is not to have them pay it, a far cleaner and simpler and, for certain, a less costly method would be a simple exemption for municipal government and the school divisions. It seems to me that if we get right down to the nuts and bolts of it, this payroll tax is probably costing maybe as much as 2 percent of the payroll by the time you add in administration costs, because certainly you have administration costs within the Department of Finance that all taxpayers are picking the tab up on; and it would make eminent sense to go through an exemption rather than going through this charade of paper shuffling because I think, if there's one common criticism throughout all Canadians of government, it's the litany of paperwork they must go through to meet the various information and monetary requests of government. I think this is a classic example of bureaucratic red tape and government red tape where they've got to go through a double process. First of all, they've got to calculate it when they make their payrolls out, submit it to the government; then later they've got to recalculate their payroll and submit a bill to the government, which I assume is going to have to be verified by Finance Department staff, etc., etc., and it just is an incredible waste of productive employee time to go through this kind of a charade.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I'd like to try and attain a little clearer understanding of the nets involved. Could the Minister tell me, when he says net payroll cost, how that distinguishes from gross? Indeed, is this the summation of all the T-4s that go out on behalf of all employees, Box C, I suppose it is, which is listed as gross earnings? Is that the net we're talking about?

HON. V. SCHROEDER: Well, Mr. Chairman, I'm not positive as to what's in the box, but the things that are not covered are the things that also are not covered

by the health and education levy, such as CPP and UIC and I think Workers Comp. would fit into those areas, so we're using the word "net." This isn't the gross. There's not much difference in terms of gross, it might be a 1 percent or 2 percent difference. Well, no, it's more than that, I guess, it's 4 percent or so difference, but that's not included.

MR. C. MANNES: Then maybe the Minister can tell me why the difference of .15 percent. No doubt he's indicated this in the past in answers to our question. I'm wondering if he can recite, again, the reason for the grant of 1.65 versus 1.5?

HON. V. SCHROEDER: It's not a precise explanation, but there were a number of factor we were thinking we should take into account. One would be that probably, year-over-year, in most municipalities, there would an increase in the total wage package as a combination of increases in wages, possibly, possibly increases in staff.

Secondly, of course, the municipalities and school divisions could legitimately make the argument that we have had their money for some time. So between the two factors certainly one could argue that it's not enough, or too much, or whatever, but that's what we were considering.

MR. C. MANNES: Not having gone through to see; you know just using interest as maybe the prime rationale for the difference, I haven't had a chance to see whether a year's carry on that adds up to .15 percent or not. When will this be payable at its earliest date? The Minister has gone through the procedure by which municipalities and school boards can make claim in the fall; what is the earliest time at which they may receive payment as a refund?

HON. V. SCHROEDER: First of all, we are going to have to send out the application forms which I don't believe we've done yet. Once we do they can return them, and I would expect that the earliest that we would be paying the money out would be somewhere in the month of September, near the end of September.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: This may have been covered, Mr. Chairman, if it has, I suppose, I can read it in Hansard. I was wondering about the rate of delinquency in paying the payroll tax, and what action has been taken on the delinquents?

MR. CHAIRMAN: It has been covered. There is no prosecution.

MR. D. BLAKE: There's no prosecution to date?

MR. CHAIRMAN: The Honourable Minister can explain further.

HON. V. SCHROEDER: Mr. Chairman, I indicated that, first of all, there have been no prosecutions. Secondly, I am not aware that there are any major problems in the sense that businesses are writing in and saying we

won't pay. I've had some very interesting letters from businesses saying: you did this wrong, and you did that wrong, and the other thing. Sometimes there have been some interesting foul-ups in the system, but they basically seem to clear up. I'm sure that nobody's delighted to be out there paying the tax back in, but I'm not aware of anyone saying I'm not going to pay.

I'm sure that there are people who are out there maybe who haven't paid yet, whom we haven't located but we did get a fairly comprehensive list of taxpayers in Manitoba, people who conceivably would be in the position where they would be required to pay and we've been using that list, the information that we have to contact people and so we're working from that list and any other information we might have as to who might be out there and in some instances that list is out of date in that businesses may have folded, businesses may have moved, other businesses may have come in that we weren't aware of, etc. It seems to be working out quite well.

MR. CHAIRMAN: The Member for Minnedosa.

MR. D. BLAKE: On hospital budgets is there a form of guarantee to hospital boards that they will receive funding roughly the equivalent of what they're paying in wage tax?

HON. V. SCHROEDER: Mr. Chairman, the hospital boards meet with agents of the Manitoba Health Services Commission every year and that's been happening now as well for this year and they've been discussing their budgets including the Health and Education Levy and that is an item that is dealt with directly between the MHSC and the hospital. It is in the sense that hospitals basically don't collect other money they are in a different position than school divisions and municipalities because municipalities and school divisions are entitled to go and get other taxes levied and so we wanted to make something very specific in that area. With hospitals we were able to do that internally.

MR. D. BLAKE: Yes, well I know one hospital in my area, Mr. Chairman, they've been able to budget fairly successfully but their complaint is now that there's no way that they can recover this unless there's some way that they can work it into their budget to have it covered by Manitoba Hospital Services Commission or some other way unless they go to the taxpayers for it. They're budgeting very tightly and they came out of it last year, I think, fairly well because there was some provision for it. It just wondered if they had any commitment from the Hospital Services Commission that this amount would be included in the government funding that would enable them to budget as they have done in the past and still come out of it on a break-even basis or very near.

HON. V. SCHROEDER: Mr. Chairman, it hasn't been broken out in the increases that have been provided to hospitals and as I understand the system, the MHSC deals with hospitals on an individual basis as opposed to every hospital getting the same amount. They look at budgets, look at what they feel are costs that are

necessary for the year and may cut out others and so included in that numbers has to be the Health and Education Levy because it's certainly a cost that the hospital can't pass on in any way and must pay so it is included in that initial increase from last year.

MR. D. BLAKE: Yes, I take it then from the Minister in spite of the lack of credibility that has been brought upon the government by the levy of this tax and the cost of collecting it and the heat that the Minister has received and will receive, I don't suppose he'd consider withdrawing the tax in the next budget.

HON. V. SCHROEDER: Mr. Chairman, that would be a problem. I've indicated that I am prepared to withdraw it if I can get back into the same kind of funding arrangements we had over the last five years with the Federal Government. Basically I have a choice of eliminating some services to the tune of \$70 million or \$80 million net. If you've been talking to your hospital people, they've also been complaining to you that they feel they've got a pretty tight noose; all of them have. The school people feel the same way; the municipal people feel the same way. We've heard from a number of groups out there that all feel that times are pretty tough and scraping another \$80 million off would be very difficult, so that leaves us with alternative taxes. When you start looking at them, for instance, an increase in the income tax, to cover the same amount of money, would put us in a position where we'd have to raise it, I believe, by in the neighbourhood of 7 or 8 points there would be a tremendous perception on the part of the average Manitoban that they'd been very very hard done by in that area because we're perceived to be sort of average now, I believe, or maybe a little above average on the income tax.

I don't think there's very many who would want to use some of the solutions that some of the other provinces have used, the even greater increase in the sale tax, or the health-care premiums, deterrent fees, whatever. That's the problem, this is the area, based on the total tax structure that we have, that we view it as being about as fair as we could get. It's not a great tax, I don't enjoy going out and defending it with the business community; I always blame my department for the whole thing but it doesn't seem to wash; it's me that they're after and I don't blame them.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I was just having a little discussion with my colleague here. This \$12,300,000 is to rebate payroll tax paid in calendar year 1983? 1982?

HON. V. SCHROEDER: Mr. Chairman, well I guess, in a sense, it is for 1983. It is based on what was paid out to employees in 1982, during a time when, of course, there was no levy on these particular kinds of employers. Their responsibility first came in on January 1, 1983, to start making the remittances for wages paid in 1983.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Mr. Chairman, I guess I was the colleague who thought that the estimate was basis on

a 1982 final payroll, in which case it wouldn't have been an estimate, so what the Minister is saying now, the estimate is, indeed, for the 1983 payroll period.

HON. V. SCHROEDER: Mr. Chairman, what we're saying is this is what we believe the payroll costs were for these employers in the year 1982. This is calculated on what they paid out in 1982. Based on that, we're making a payment in 1983 which will compensate the employer for the levy contributions made during the year 1983, but it's based on an exact payroll cost of 1982.

MR. D. ORCHARD: Before we pass this item, I'd just like to remind the Minister - and I know he doesn't like being reminded - but we had been opposed to this tax across the board ever since he brought it in. We believe it is a tax which has caused various people, from the President of the Winnipeg Chamber on down, to come to the conclusion that the current government in the Province of Manitoba has developed an anti-business, anti-free enterprise posture. That does very little in promoting this province, nationally and internationally, as a good home for your new industry, or a good place to expand your existing industry.

The objective of all governments, and I will even give this government credit for having it as an objective, is to create employment for its citizens, to provide jobs, to provide security for its citizens. This tax doesn't help to create an attitude amongst investors in the business world that would make them deem Manitoba to be a good place to locate. That has been the prime reason for our opposition to this tax ever since it's come in.

We indicated when it came in, I believe, in numerous speeches to the tax in the Budget and in question period and in many many speeches since at various opportunities that this tax is a charade when you're going to collect it and then refund it to various levels of government in the Province of Manitoba. We made at the very least, if you're going to stay with this tax which is not good for the province, that the minimum you should do is develop a system whereby at least you don't put municipalities and school boards through the double accounting of paying it out month-by-month, or whatever their pay periods are, in which they remit to the Minister of Finance the payroll tax and then at some point in time during the year make an estimate for their pay back from the government.

An exemption would be most appropriate for these areas of local government that are covered under this grant. I would hope that the Minister of Finance and his colleagues would move with some speed in trying to develop that method of exemption because, as I said earlier, there is common complaint from all citizens of this country and of this province that red tape and government paper shuffling is costing everyone an awful lot of money. This is an unneeded bunch of paperwork and red tape and shuffling that the New Democratic administration is foisting on all Manitobans who employ people, right down the line to charitable organizations, church organizations - you name it - they all pay it.

Some are deemed worthy of a refund, others are not. If he's not going to scrap the tax itself, at least would the Minister be able to assure us that he would not put local governments through the double

accounting procedure of collecting and then claiming a refund?

HON. V. SCHROEDER: Well, the member's memory seems to be pretty short. I think that we would have been fairly negligent if we would have set that up for this year. I remind him that these documents were provided to the House on February 24th, at a time when we still had some little problems to iron out in terms of some other - at least, one other employer who we thought would be a good idea if they paid too - and I indicated to the Member for Turtle Mountain that this is an item that is under review for next year. There's no question about it. I think that you can exaggerate the amount of paperwork that's involved because after all, in terms of calculating the refund, all you have to do is go and look at the final number for what you paid out in net wages for last year, and those numbers are around in the computer systems of all divisions and municipalities. It takes a matter of a couple of minutes work. It's still work that may not be absolutely necessary.

It seems to me that the easiest way of dealing with it is to find some way of terminating it, making sure that it is done on an equitable basis as between municipalities just in case there might be some municipalities operating some functions that are not specifically governmental or deemed to be or considered to be governmental functions, such as operating bus systems, etc.

MR. CHAIRMAN: Pass? The Member for Morris.

MR. C. MANNES: I would just ask the Minister one final question, if I could. What is the breakdown roughly between municipalities and the Department of Education, or the broad breakdown on this total as far as the rebate?

HON. V. SCHROEDER: We expect that we will pay out about \$7,650,000 for school divisions, and \$4,650,000 for municipalities; and again, when we talk about municipalities, we're talking about Local Government Districts as well.

MR. C. MANNES: I'd ask the Minister whether the government is giving any consideration whatsoever to removing this tax on the next Budget, given that many many peoples and groups in society and academics, for that matter, are pointing to this as a tax that is causing and helping lead to larger unemployment figures? Is the government giving any consideration to the removal of this tax?

HON. V. SCHROEDER: Yes, I agree that there are some people who believe that this tax is having a negative effect on the province. Any tax has to be paid; no matter where you get it from, it's going to be money that's not directly spent by individuals or corporations and put into the economy. So it's from that perspective, any tax is a drag. On the other hand, because of the tax, there is that amount of extra spending, which also provides for stimulus in the province, and there's a question of perceptions and that's something that, you know, you can spend hours talking about.

The fact of the matter is that last year we did a study, the Department of Finance, an extensive study, that indicated that costs of doing business in Manitoba were quite reasonable in total as compared to other provinces. Indeed, we were one of the lowest-cost provinces in confederation. So from that perspective, I think businesses look at the numbers as well as the perception, and maybe that is why, right now, we have 5,000 more people working than we had a year ago, when nationally the total employment is actually down from where people were a year ago.

It seems to me that those people who argue that this tax is having that kind of a negative effect, have to address that issue of Manitoba during that time when this tax was in effect, not having been seen to be in greater difficulty than we are nationally; indeed, being one of those provinces that's doing the best in terms of job retention. I'm not attributing job retention to the levy. I'm sure that if we didn't have the levy and we're spending as much money; that is, adding an extra \$80 million or \$90 million to our deficit, that we would indeed have far more employment in the short run. In the long run, we would have an additional debt, I suppose, to those who keep asking us to remove the tax. I would ask them to maybe tell us what tax to increase or which services to cut because I don't think there's very many people in the province who believe that we should be increasing the size of our deficit.

We talked about our spending. Members opposite occasionally like to talk about the increase in spending this year over last year. It's a large percentage increase, but if you look at our cost per person of government here in Manitoba, it compares quite favourably to other parts of the country, and that is surely the real measure, rather than a year-over-year look. How much are we spending per person here in Manitoba? It seems to me to be a much more valid comparison, as opposed to some kind of a year-over-year increase, and on that basis we're doing quite well. The cost of government in Manitoba is not as large as in many other parts of the country.

Sure you can talk about doing away with this tax; you can say that it's not nice to be taxing people in this way. We think it's also not nice to be hitting people for Medicare premiums to the tune of \$650 per year, as in Ontario for married people, or hitting people who happen to be sick with \$20 per day when they go in the hospital, as in Alberta, etc. Those people have had to come to their decision as how they are going to get their money; we've come to our decision. We don't like theirs; they don't like ours, obviously, or else they would have come into it. Neither of them are good. I don't think they would argue that their tax is a good tax, nor do we argue that our tax is a good tax. I would prefer not to have it but, having the choices that we do have, I would prefer to keep this tax to the possibility of adding two points to the sales tax to make that up, or 7 or 8 points to the income tax to make it up.

Again, we would be happy to remove this tax next year, and we will remove it next year, providing that the Federal Government restores the transfer payments under health and education and equalization to their previous formulas.

MR. CHAIRMAN: Item—pass.

Resolution 144: Resolved that there be granted to Her Majesty a sum not exceeding \$12,300,000 for Local Government General Support Grant for the fiscal year ending the 31st day of March, 1984—pass.
Committee rise.

SUPPLY - JOBS FUND

MR. CHAIRMAN, P. EYLER: Committee come to order. We are considering the Estimates of the Jobs Fund, Item 1(a). Are there any questions?
The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, my question is to the First Minister. On Tuesday, June 14th, in the introduction of the Jobs Fund, the Minister of Finance, in making an introductory statement, indicated that the Jobs Fund committed to date could be translated into 5,540 jobs of one year's duration. Just for clarification, can the First Minister confirm that the sheet which was distributed, indicating that \$131,408,000 had been committed, would result in 5,540 jobs of one year's duration?

MR. CHAIRMAN: The Honourable Premier.

HON. H. PAWLEY: Mr. Chairman, the work that has been created up to this point is 288,129 work weeks. In translating those work weeks, they can be translated into 5,540 jobs of their one-year duration. Of course, not all the jobs are of a one-year duration. A number of the jobs are less duration than the full year. If one translates that to jobs of six-month duration, we're looking at 11,081 jobs; 20-week duration, and 14,406 jobs on the 20-week duration which is the UIC criteria.

MR. G. MERCIER: Mr. Chairman, I'll have to repeat my question then to the First Minister. The 5,540 jobs of one year's duration are created from the commitment to expend \$131 million according to the long sheet that was distributed. My question is: Does the expenditure of the \$131 million result in the 5,540 jobs of one year's duration?

HON. H. PAWLEY: Mr. Chairman, of course, it's many more jobs than that if one deals with the spinoff impact. It's very difficult to calculate the large number of jobs, and I suppose that is a matter that would be subject to some evaluation as to the extent of the spinoff because the spinoff would involve the purchase of material, the manufacturing of material, etc. Many of the projects that have been announced up to this point have large portions of the dollars directed toward materials of one form or another. Certainly, they are not just dollars going to jobs, but of that \$131 million, there's a lot of material, a lot of supplies, a lot of spinoff.

I couldn't give the honourable member calculations at this point as to the anticipated spinoff and the number of jobs that could be created from the spinoff but, of course, would be substantially greater than this.

MR. G. MERCIER: Mr. Chairman, I guess I have to ask the question a third time. I wasn't asking about spinoff. I was asking the simple question as to whether the

5,540 jobs result from the commitment to spend \$131 million.

HON. H. PAWLEY: Insofar as direct employment is concerned without considering the spinoff.

MR. G. MERCIER: Yes. That's the answer I was looking for, Mr. Chairman; the fact that the commitment to expend the \$131 million results in 5,540 jobs of one year's duration.

I have another question then for the Minister of Labour. The other day when the Minister of Finance was speaking, he referred to the fact that you could translate the 5,540 jobs of one year's duration into 14,406 jobs of 20-weeks duration. Could she confirm that the Careerstart Program is creating approximately 6,000 jobs of 20-weeks duration? That is, the \$9.1 million the government is spending on Careerstart would result in about 6,000 jobs of 20-weeks duration?

MR. CHAIRMAN: The Minister of Labour.

HON. M.B. DOLIN: Thank you, Mr. Chairman. The jobs under Careerstart vary in length according to the time that the students are available and the length of time that it takes to do the job that the employer has designed. Those jobs vary from the minimum to the maximum under the program and would run from, let's say, 8 weeks to 16 weeks, 20 weeks, depending, as I say, on the time that the student is available; a university student is available for a longer time, a high school student for a shorter time.

Those non-students, young people who are unemployed, of course, are available for as long a time, I suppose, as they could be for hiring but that depends again on the job. There's a wide variation within the time span of the Careerstart Program.

MR. G. MERCIER: Mr. Chairman, in developing the statistics which the Minister of Finance gave us then, he must have had some figures from the Careerstart Program either relative to jobs equivalent to one year's duration or 20-weeks duration. Could she give us then those statistics on job creation as they relate to the Careerstart Program?

HON. M.B. DOLIN: I certainly can't give the member the exact length of time spent on each of the jobs under Careerstart, a breakdown of the time span within each job. We expect that we will be putting more than 6,000 young people to work, and the time span within the program, there are limits in the amount of time that the person can be hired for. There are also minimum requirements for the hours spent on the job per week and the number of weeks that the person must be employed, or it translates into number of weeks.

Now, I'm not sure if the member is actually asking for a breakdown of how many of these are 8-week jobs, how many are 9-week jobs; how many are 10-week jobs, and so on. Eventually, when the program is completed, we will be able to retrieve that kind of data. Right now, it's not possible.

MR. G. MERCIER: Mr. Chairman, it must be possible because the Minister of Finance has come into the

House, last Tuesday, and said that the expenditure of the total of \$131 million, which the government has committed under the Jobs Fund, will create 5,540 jobs of one-year's duration; and then he has broken that down further into how many if they're six months, or how many if they're 20 weeks. In order to calculate that figure, which the First Minister has confirmed, he must have based it on some statistics from the Careerstart Program, and I'm asking what figures were used in the Careerstart Program for the Minister of Finance to develop his overall statistics?

MR. CHAIRMAN: The Minister of Labour.

HON. M.B. DOLIN: My understanding is that the Minister of Finance's figures were drawn from the employers' submissions under Careerstart; the request of the employers for students, or young people, that they would be hiring, the number of weeks that they estimate they would be hiring them for, was on their application forms and that's where they would have gotten the information as to how many work weeks would be created. As the Member for St. Norbert knows, we talk in work weeks, because that's a much more accurate reflection of how many weeks of work are being created, as opposed to how many jobs are created for a year, since we have jobs of varying duration throughout all of these programs.

MR. G. MERCIER: Mr. Chairman, then the Minister of Finance translated the 5,540 jobs of one-year's duration into 14,406 jobs of 20-weeks duration. If it's helpful, then to the Minister of Labour, could she translate the number of jobs created under the Careerstart Program into how many jobs of 20-weeks duration, to the number of jobs of 20-weeks duration?

HON. M.B. DOLIN: There are varying time periods and the reason that the 20-weeks duration of a job was given as an example is because that's what the Federal Government uses for their calculation. All of these calculations are artificial calculations and we have explained that many many times. The only way that you can accurately reflect how many jobs you're creating is to look at the people and count them; then you have a variation in the length of time that they go to work, that they are in fact at work; you take work weeks and that's consistent, and that's why we use work weeks.

In pointing out that that can be translated into 5,000-and-some-odd jobs, obviously that is just dividing that number by 52, and you do the same thing with 20, and you do the same thing with 26. You can use all kinds of ways of coming up with different numbers but, if we talk work weeks, then we will be able to talk consistently and be talking about the same thing.

The program, Careerstart, will be able to be defined very very succinctly by a number of work weeks when it is, in fact, over, but I wonder if the member is aware that certainly, under some of our programs, people are kept on after the program ends; and so that, in a sense, might skew the figures, mightn't it? It might move them to a much larger figure because those people are still employed; it's an ongoing employment situation then. So if we talk work weeks, I think we will be talking

about the same thing and we can talk then about the same thing.

MR. G. MERCIER: Mr. Chairman, then I invite the Minister of Labour to talk about work weeks and divide by 20 and give me that figure. For example, how many work weeks have been approved?

HON. M.B. DOLIN: The current figure, the figure for today, in Careerstart, as to the number of work weeks created, as a total - which the member can then divide by 20 if he wishes - can be gotten for you and I'll take that as notice and get that information for you. It, of course, changes as applications are honoured and young people are put to work; as they work longer than the time specified; as they work a shorter time than the time specified, for whatever reason. We can give you a figure that is reflective of where we are today on that, and I will bring that information back.

MR. G. MERCIER: Mr. Chairman, for the purpose of this discussion, I think some type of a figure is required. Would it be unfair to use a figure of 6,000 jobs of 20-weeks duration, under the Careerstart Program, or would that be too high, or should we, for the purpose of this discussion, be using a figure of 5,000?

HON. M.B. DOLIN: The reality of the situation is that there will be over 6,000 young people working; they will not all be working for 20 weeks. So if you say, well, we'll take an average of, say, 15 weeks, just off the top of someone's head, and then that reduces the number of people working; it doesn't reduce the number of people working; that number of people working stays the same. Where there is a variation is in the number of weeks worked, sometimes because of their own schedule, sometimes because of the employer's need.

MR. G. MERCIER: Mr. Chairman, we seem to have a great deal of difficulty in getting information from the Minister of Labour but, inasmuch as I want to expedite debate on these Estimates, I'm going to have to assume that 5,000 jobs of 20-weeks duration would be a fair figure to use, and it shouldn't be out that much, one way or the other. I think her staff are indicating that might be a fair - or they're indicating that it wouldn't be a fair . . .

HON. M.B. DOLIN: Yes, indicating that it is not a correct assumption.

MR. G. MERCIER: What is the correct assumption?

HON. M.B. DOLIN: I believe that the Member for St. Norbert indicated earlier, or asked the question, would it be unfair to assume that there would be 6,000 jobs of 20-weeks duration created. That wouldn't be unfair, but it might not be accurate. I can't give you that information yet; the program is just getting under way. To say that there are 5,000 jobs created of 20-weeks duration is also quite incorrect, because there are 6,000 or more jobs created, but not necessarily of 20-weeks duration.

To try to average this out, to come up with some kind of number of jobs created is, I believe, ludicrous

because those young people could stand up in a line and be counted and there are more than 6,000 of them. They don't happen to all be working for 20 weeks - maybe they will be - but I can't verify that right now because they are just beginning their jobs.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I'm going to have to . . . Is the Minister of Labour suggesting I should use a higher figure than 5,000 or a lower figure than 5,000?

HON. M.B. DOLIN: I can give the member two pieces of information. In fact, I have indicated I will give him the exact number of work weeks requested by employers and I will get that information for him. I don't have it in front of me right now. I have also indicated the number of positions that we will be filling and it's over 6,000. Those two pieces of information can be played with in any way that the member wishes but they don't always come up with an accurate reflection of what is happening in this program or in any other program. You cannot reduce the number of people working by dividing it by a greater number of work weeks, that just doesn't make any sense.

I will get the information on the number of work weeks requested. That is not, however, what might be the situation when the program ends. I'm sure that we are all aware that these programs are not inflexible; that sometimes an extension occurs; sometimes an employee is kept on longer; sometimes an employee for whatever reason, leaves, moving to another province, illness, whatever reason. All of those figures have to be taken into consideration and since it hasn't happened yet, I cannot verify that it is or is not going to happen.

MR. G. MERCIER: A question to the Minister of Urban Affairs then, Mr. Chairman. How many jobs did he estimate would be created under the \$20 million commitment to urban redevelopment? Yes, you've already given the figure.

MR. CHAIRMAN: The Minister of Urban Affairs.

HON. E. KOSTYRA: Thank you, Mr. Chairman. Unfortunately I wasn't here for the full line of questioning with respect to the urban redevelopment scheme for the North of Portage. It would be difficult to give a definitive answer with respect to the number of jobs that will be created as the member is aware. There is a task force that has been formed between the three levels of government to review the various submissions with respect to the North of Portage and are to come back by the early part or the mid part of July with specific recommendations for the North of Portage development. But I would say I'm certainly pleased with the indication to date of interest by the private sector in the North of Portage proposal.

In fact I've received communication from the Downtown Winnipeg Business Association with respect to the North of Portage development, where they are supporting such a development field that is something that is needed to attract further private sector investment in the North of Portage area.

I've also met with, along with the Mayor and the Federal Minister, Mr. Axworthy, with all the major land developers — (Interjection) — no, I'm not trying to filibuster. There were comments made - this is the first opportunity I've had to speak on this issue - there were comments made, I believe by yourself last week with respect to the private sector interest in the Jobs Fund and this government generally, so I just want to make sure that the record's clear that there is considerable interest in job creation by the private sector. There is considerable interest by the private sector in the specific development for North of Portage and I thought the Member for St. Norbert would be interested in receiving that information because he seemed to have some concern with respect to private sector involvement in the Jobs Fund generally and I'm sure he would be interested with respect to the North of Portage.

So I can indicate that there's considerable interest from the private sector, the private developers in the City of Winnipeg, with respect to that development and they have met with us and indicated their support for the project. They feel that if the project is pulled together that there will be considerable private sector involvement.

So it is difficult at this time to give a specific figure with respect to the long-term job creation, though I'd suggest that if the project comes together as I think it can, that there will be considerable long-term job creation in the downtown area and there will be certainly lots of activity, lots of jobs related to the construction that would go on around that development.

MR. G. MERCIER: A question to the First Minister then, Mr. Chairman. In developing the figure of 5,540 jobs to be created from the commitment to expend \$131 million, how many jobs was it estimated were to come from the \$20 million for Urban Redevelopment?

MR. CHAIRMAN: The Honourable Premier.

HON. H. PAWLEY: Mr. Chairman, we'll take that as notice and obtain that information for the member this evening.

MR. G. MERCIER: Mr. Chairman, last Tuesday the First Minister stood up to introduce these Estimates and said the first criteria in committing funds under the Jobs Fund, was to be the number of jobs to be created and the First Minister is asking us to take this question as notice? Was that not considered?

HON. H. PAWLEY: Mr. Chairman, if the honourable member will recall, in indicating project criteria that would be developed insofar as the examination of any particular project, we considered, (a) the question of a multiplier effect; and insofar as the North of Portage development there is a very very substantial multiplier effect because there clearly will be large numbers of supplies, building materials, etc., that will be involved.

Long-term employment is clearly an additional area where there will be substantial long-term employment generated from, we anticipate, the three levels of government who have completed their task force from the proposals that have been made.

Then, Mr. Chairman, there is the type of asset and, again, the Portage North Development fits into the kind

of project that provides for lasting infrastructural type of development. So it fits into the category of type of asset, multiplier effect for job creation, job retention, long-term employment, and the one area of some uncertainty insofar as the commencing date of implementation, due to the fact there are three levels of government that are involved, and the task force which is presently operating involving the municipal, the federal and the provincial. So there is a question in respect to the time for actual implementation of a project.

We will obtain what further information we can as to very very approximate breakdowns because on this particular item, Mr. Chairman, dealing with Portage North, they must indeed, by the very nature of the fact that proposals of different types are being considered, any estimate would have to be of a very very broad, a very wide nature. I am informed that any inclusion insofar as the Portage North project is concerned, has been based on a very conservative estimate because of the uncertainty as to the particular nature of any project that should flow.

The third item, of course, that was important insofar as the consideration of the Portage North project was the leverage impact insofar as other levels of government contributing towards the total North Portage Development.

MR. G. MERCIER: Well, Mr. Chairman, that wasn't what the Minister of Finance told us on June 14th. He said the \$131 million has to date created - well, he talks about a specific number of work weeks - that is an actual figure. It might be translated into 5,540 jobs of one year's duration.

Mr. Chairman, my next question to the First Minister is this. If you exclude from the \$131 million, the 9.1 million for the Jobs Fund which, according to my estimates, creates probably a little over one-third of the total jobs, that leaves . . .

A MEMBER: Careerstart.

MR. G. MERCIER: Careerstart - the Careerstart Program creates a little over one-third of the jobs. So, exclude 9.1 million, that leaves you with some \$123 million, which therefore creates approximately 3,700 jobs of one year's duration. Can the First Minister confirm that the cost of creating each of those one-year jobs is approximately \$33,400.00?

HON. H. PAWLEY: There is no question insofar as the Careerstart Program is concerned that the cost per Careerstart job created is less than insofar as other jobs, but there are clearly, on the other hand, very important criteria that is not met insofar as the establishment of Careerstart Program.

For example, as I announced last Thursday the Earth Sciences Building will, on a per job basis, indicate a very high-cost figure because of the very, very large proportion of materials that will be involved in that kind of project. So one cannot compare a Careerstart job where there are no funds for materials and supplies, where there is no lasting asset being created, and a project such as the Earth Sciences Building, or any number of the other major developments such as the

Portage Food Development Centre, the renovation programs where large portions of the monies that are being spent are for materials, supplies and other areas of that concern. In addition, the spinoff impact from Careerstart would, in my estimation, be less than that which would be obtained from some of the other kinds of projects such as, again, the University Earth Sciences Building, which would have a much higher per cost per job and probably would fall into the neighbourhood of \$30,000-\$31,000 per job, simply because there is mortar, there is architectural drawings, there is lumber involved, there is finishing product. There are many other items that are included in a project such as an Earth Sciences project.

MR. G. MERCIER: Mr. Chairman, I wonder if the First Minister would like to answer the question. That is, excluding the Careerstart Program, is it correct to say, and if I attempted to do a calculation, that the average cost of creating the balance of the approximately 3,700 jobs of one year's duration amounts to \$33,000-\$34,000 per job?

HON. H. PAWLEY: Mr. Chairman, the problem that is involved in respect to taking out one particular program and then, after taking out one particular program, arriving at a cost per job, then I ask why would one not take out any number of other programs such as NEED, such as MEAP, such as the Forestry Renewal, such as Southern Sewer and Water; what one would, in fact, obtain by so doing would be a skewed kind of situation.

That's why, Mr. Chairman, we have been careful not to speak in terms of jobs created but, rather, to talk in terms of work weeks created; that's why we have been cautious not to place any particular value in respect to each job created, because to do so ignores the fact that the monies that are involved in respect to the Jobs Fund do not all go to wages or to salaries or to incomes, but rather a very very sizeable portion of the money that falls within the Jobs Fund goes towards materials.

I could probably obtain an estimation as to the percentage of the total that would go to materials or to assets so that there would be a much fairer, much clearer evaluation of the cost per job.

MR. G. MERCIER: Mr. Chairman, would the First Minister undertake to provide us with the estimates for each budgetary commitment that the Minister of Finance used in developing that 5,540 jobs figure for each of the items on the table that was given to us last week so that we could know how many jobs each program created?

HON. H. PAWLEY: While the Minister of Labour is dealing with the last question, the estimate that was obtained, and this was obtained according to a formula that was provided by the construction industry itself pertaining to the Portage North Development, and again it is an estimate not provided for by way of calculations within government, but on the basis of a calculation provided by the construction industry itself, is 16,700 work weeks in respect to the \$20 million of direct contribution by the province, towards the Portage North

Development. That is an early figure and that figure could change dramatically, either up or down, depending on the nature of the project that is eventually approved by the tri-party committee that is developing a plan insofar as Portage North. The 16,700 work weeks excludes the additional work weeks that would be provided, of course, by the introduction of funds from the city and from the federal level of government.

MR. G. MERCIER: Mr. Chairman, could the First Minister advise us how many permanent jobs, long lasting jobs, have been created by the commitment to spend \$131 million?

HON. H. PAWLEY: I can give you some examples that are beginning to already become available to us. Under the MEAP Program, we have information that 349 employees will be moving into permanent positions - 349 employees that were hired under the MEAP Program are becoming permanent employees, and that is indeed most encouraging because that was considered by many, to be simply a short-term job creation program. Insofar as 572 responses, we have found under that one single program that the member has in his book, that 349 employees in that program had become permanent employees.

The breakdown in respect to that, for the member's information under MEAP, is 178 permanent jobs created in the business community and 171 permanent jobs created in non-profit institutions, for a total of 349. One could evaluate other programs in which announcements have been made, some would be purely of wild estimates and others would be closer. For instance, in respect to the announcement pertaining to the Western Aviation Museum, information from the Aviation Museum officials themselves to the effect, that 25 permanent employees will be created.

Insofar as the project pertaining to the Brandon Fire College, it's my understanding approximately 10 permanent employees will be created there. We've been encouraged by the fact that information is coming to the fore, that permanent jobs are being created in significant numbers, where one might have thought at the very beginning insofar as the announcement of the program, that we were only speaking in terms of short-term jobs.

The stimulus that has been provided has resulted in the creation of long-term jobs. The honourable member's answer can - and we'll be carefully monitoring this because it will be interesting to ascertain the final result insofar as the number of permanent jobs, even insofar as the Earth Sciences Building that was announced the other day - we may very well see from that some permanent jobs.

So the honourable member is asking for a precise and exact number. It is of course, way way too early to provide the honourable member with that kind of information, except we already have valuable information that is coming forward as to permanent jobs created.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Did the First Minister say that the Western Canada Aviation Museum would have 25 full-time jobs?

HON. H. PAWLEY: Yes, that's the information that's been provided to us.

MR. B. RANSOM: Has the First Minister any idea how many full-time jobs they have there at the present?

HON. H. PAWLEY: I understand there may only be three there at the present time, but we can take as notice, and that does not involve, I believe, repair and training.

MR. B. RANSOM: Mr. Chairman, has the First Minister and the government made any commitment to the Aviation Museum to help fund the ongoing cost of staff of that nature?

HON. H. PAWLEY: No, there has been no commitment.

MR. B. RANSOM: Mr. Chairman, it seems like an extremely large increase in the staff for the Western Canada Aviation Museum which is funded largely through donations and they don't have an unlimited well of funds, at all, to hire people. A lot of their work is done by volunteers who are restoring air frames and that sort of thing, but that may be just one example and perhaps it would be borne out, but I would be very very surprised if there were to be 25 full-time positions associated with that museum, Mr. Chairman.

HON. H. PAWLEY: Mr. Chairman, maybe the honourable member's not aware they are moving into the old CAE facilities, a greatly expanded space; and as a result of moving into that greatly expanded space, they'll be able to take on a number of additional activities.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Thank you, Mr. Chairman. Mr. Chairman, during the Estimates of the Minister of Natural Resources, in dealing with his Appropriation for Acquisition of Physical Assets and Construction, there was a substantial reduction in that item - I don't have my Estimates Book before me - but if I recall it was from some \$18 million down to some \$11 million. This was, of course, commented upon by members in the Opposition and myself.

The Minister at that time assured us that some of those dollars - yes, the actual amounts, Mr. Chairman, were some \$17,943,000 in the year ending 1983, and now being listed for the year 1983-84, as \$11 million.

In dealing with that item, Mr. Chairman, the Minister of Natural Resources indicated to us that it did indeed not represent a reduction by that amount; that some of those monies were included in the Jobs Fund. One is just about led to get into that debate again about whether or not the Jobs Fund is new dollars, or indeed creating new jobs, but we'll let that pass for now, Mr. Chairman.

My question is to the First Minister, can the Minister identify any portion of that \$7 million-odd dollars that has been reduced from the Minister of Natural Resources's Estimates, that is anticipated to be spent by the Jobs Fund? What kind of projects, or what kind of jobs are we hoping to create with that?

MR. CHAIRMAN: The Honourable Premier.

HON. H. PAWLEY: Mr. Chairman, I can indicate to the honourable member those projects that have been announced up to this point from the Department of Natural Resources.

The first is a forestry renewal under a U.I. cost-sharing program, \$305,000; under nursery expansions there's been an announcement made of \$767,000.00; there has been an announcement pertaining to dike upgrading of \$800,000.00. I think, Mr. Chairman, those are the only projects that have been announced up to the present date involving the Department of Resources.

MR. H. ENNS: Mr. Chairman, it could then appear that we have maybe some \$1.8 million being spent by the Jobs Fund offsetting the \$7 million reduction in the Minister of Natural Resources current Estimates in that line. It seems to bear out the position that we were taking in opposition, that once again a very substantial reduction in an area that does provide jobs and does as a rule provide for lasting improvements to our infrastructure or new plant, whether it's in forestry or nursery development and/or dike and flood protection, general drainage programs.

Mr. Chairman, at the time that we discussed both the Minister of Natural Resources' Estimates and the Minister of Highways and Transportation's Estimates, we in the Opposition had a great deal of difficulty in understanding the rationale of this government who obviously are searching for ways and means of providing meaningful jobs - I don't even like to use that word, Mr. Chairman, it's been abused so much - but nonetheless certainly these are fast and instant job providers whether they're in the Department of Highways or in the Department of Natural Resources in the improvement to Physical Assets of those apartments.

In those two departments, Mr. Chairman, there has been a very substantial reduction. My colleague, the Member for Pembina will have more to say about the reduction in Highways. I'm dealing right now with the Minister of Natural Resources' reduction in his Physical Assets, and we're finding by questioning the Ministers responsible for the Jobs Fund, that relatively small amounts that have been taken away from those departments are appearing now in the Jobs Funds' list of job creators. I can't help but indicate to you, Mr. Chairman, that it's difficult to understand this government's commitment to real job creation.

There's nothing simpler and more straightforward than to let out a contract to improve a much needed grain or to provide for flood protection for a community. We have contractors in the province that are in dire straits, those that haven't been forced to the wall with bankruptcy. There are many qualified operators on the unemployment rolls that could very quickly be gainfully employed in what I would like to think are the kind of jobs that surely any government would want to encourage at a time of high unemployment.

So, Mr. Chairman, I can't express any great satisfaction at how the Job Fund has replaced those traditional, job-creating rolls of departments such as the Natural Resources and/or the Department of Highways and Transportation, that have over the years

provided employment to many Manitobans - many Manitobans that have been accustomed to the seasonal nature of that work - but who upon putting in a reasonably good summer construction season, spring, summer, fall construction season, very often can manage through the rest of the year with some other supplemental income, or indeed support through unemployment insurance.

But this government has chosen and I suspect, Mr. Chairman, to buttress up their figures for the Jobs Fund to create the illusion of job creation by taking away from those who in fact were providing the jobs and ending up with fewer jobs actually being created and more importantly with Manitoba's infrastructure not being improved upon, or attitude, anywhere near what Manitobans have come to expect. Certainly not anywhere near what a supposed tight-fisted Conservative administration was providing relative to the total revenue collected by the province just a few short years ago.

MR. CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, it's always been made clear that about half of the Jobs Fund money is new money, the other half involves existing program development.

Insofar as the Natural Resources Department, there are other proposals that are presently being considered. I indicated to the Member for Lakeside those proposals that have now been announced, but the total amount of money that has been committed announced to this point, involves \$131 million of the \$200 million. There are some other projects that involved the Department of Natural Resources, particularly in the fields of Park development that are presently under active consideration.

MR. B. RANSOM: Mr. Chairman, how much budgetary money in the Jobs Fund has not yet been allocated?

MR. CHAIRMAN: The Minister of Finance.

HON. V. SCHROEDER: Mr. Chairman, I haven't been going through all the documents, but I have provided the Opposition with the numbers in terms of the total. There's about \$72 million of budgetary funds available. We've also provided them with the list of items that we have put out and I believe that total comes to somewhere in the vicinity of \$70 million or \$71 million as I indicated previously when the member asked. He can surely do that arithmetic.

MR. B. RANSOM: Mr. Chairman, I must say I don't really appreciate the Minister of Finance's arrogant attitude towards this question. It's a fairly simple question. Approximately how much budgetary authority hasn't been allocated?

The First Minister just told us that there are some things being planned for the Department of Natural Resources, some parks projects, etc. I'm interested in knowing how much leeway the government's got left - I don't need to know exactly - but is it \$8 million, or is it \$10 million, or is it \$15 million?

HON. V. SCHROEDER: Mr. Chairman, I don't know how to make it more clear. If there's \$72 million in

current budgetary and we've announced somewhere in the neighbourhood of \$71 million, then there would be \$1 million left. Now, there is within that - and I'm surprised that the Member for Turtle Mountain couldn't calculate that out for himself - however, there is within that amount, \$20 million earmarked for urban redevelopment which may or may not be spent, and one of the big advantages of this fund is precisely the ability to move funds from areas where they won't be spent to areas where they will be spent; so that in terms of the fund as a whole there is certainly some flexibility, and there is flexibility in other areas as well.

MR. B. RANSOM: Mr. Chairman, before the Minister gets carried away with his supreme arrogance, is there not another \$10 million in the Jobs Fund that was to come from the Manitoba Government employees' contribution that would be considered budgetary capital?

HON. V. SCHROEDER: Mr. Chairman, as the member knows, that money is listed in the various departments and it will eventually come back, but it doesn't show in terms of the \$72 million. If you want to make the argument that we have the extra \$10 million there, then we can talk about that \$10 million as well.

MR. B. RANSOM: Mr. Chairman, this is quite ridiculous. The Minister announced a \$200 million Jobs Fund, and part of the \$200 million was \$10 million coming from the Manitoba Government Employees Association. There was \$72 million coming through the Minister's own item identified in the Estimates. Now, if he's allocated \$71 million of the \$72 million, presumably he has about \$1 million left there. But is there yet another \$10 million still to be allocated?

HON. V. SCHROEDER: Mr. Chairman, as we started off with the \$72 million and the \$71 million that has now been allocated, within that \$71 million there is \$20 million with respect to urban development especially that's highlighted in terms of whether or not it will be spent.

The member is referring to the MGEA contribution, which we have not allocated as current. There could well be an addition there to the \$72 million; theoretically, up to the \$82 million, but there is also a possibility that the full \$10 million could be used in capital. Therefore, I don't think it would be appropriate for us to be pigeonholing it until we have an agreement with the MGEA with respect to how it is spent.

MR. B. RANSOM: Mr. Chairman, can the Minister confirm then, if we go back a little bit to some basics, that budgetary authority within the Estimates that he tables in the House can include both capital and operating money?

HON. V. SCHROEDER: Trivia quiz, the answer is yes.

MR. B. RANSOM: Mr. Chairman, if we could get some answers from this government, then maybe this item could get passed; but until we get some answers, until we get the Minister of Finance treating the questions as being serious, it's not likely to pass for some period

of time. Now, they made much of the announcement, and if the Minister would care to look at his own budget where, in the summary following Page 31, there is the Jobs Fund listed. It says, budgetary appropriations current and budgetary capitals \$72.2 million, non-budgetary capital supply authority new and carry-over \$117.8 for a total of \$190. Then there is the Manitoba Government Employees Association contribution of \$10 million. My question to the Minister of Finance: Is that considered budgetary authority?

HON. V. SCHROEDER: Mr. Chairman, I'd refer the member, before he gets too exercised, to Page 134 of the Estimates dealing with the Jobs Fund, showing total in current and government capital, which he knows full well is part of the total governmental budget, at \$72,200,000.00.

When I answered his previous question, he asked how much was designated already. I told him it was approximately \$71 million. He has now come back with the matter of the MGEA contribution and I've indicated that that is something that we can't put in entirely into this area or the other area until we have an agreement with the MGEA as to where we're going to spend it.

MR. B. RANSOM: What does he mean he can't put it into one area or the other? Is he saying that it isn't budgetary authority, that it isn't treated the same way that the \$72 million is that the government budgeted?

HON. V. SCHROEDER: Well, Mr. Chairman, what we're talking about is how we spend it, and it is possible that we could be spending it, for instance, on loans for people to build houses through the Manitoba Housing and Renewal Corporation. We could decide, for instance, on other areas of using that funding. We have used that kind of funding with respect to MHRC directly for \$74 million in the last two years. That's just one example; there may be other areas where that money might be used and, therefore, we have not committed it into current budgetary or capital budgetary funding.

MR. B. RANSOM: Mr. Chairman, the Minister of Finance surely is not telling us that he is going to take money that is voted in the Main Estimates of Expenditure of the Province of Manitoba and treat it as though it were loan authority money, because that's what he is telling us. Money that goes out by way of loans through the Housing Program is acquired through Loan Acts. That's what I've been telling the Minister all along, that he had \$34.8 million of money gained through a Loan Act for a housing program which could only be spent on housing programs. Now he's got \$10 million which is included in the Main Estimates of Expenditure of the province which does not come by way of a Loan Act, which is surely budgetary authority and he's trying to tell us that he might lend it out in the same manner that non-budgetary capital through a Loan Act would be lent out, Mr. Chairman?

HON. V. SCHROEDER: Well, Mr. Chairman, we could be using it for normal government capital works projects. There's a number of opportunities that we might have with respect to the money.

MR. B. RANSOM: Mr. Chairman, can this \$10 million which is included as a Manitoba Government Employees Association contribution to the Jobs Fund, can it be allocated with the same latitude that the Minister and the government allocated the \$72.2 million?

HON. V. SCHROEDER: Mr. Chairman, I know of no way in which that \$72.2 million is being used that we couldn't use the \$10 million for, and of course that's being used in a number of ways that certainly provide for capital construction in the province.

MR. B. RANSOM: All right then, now we're getting somewhere, Mr. Chairman. So the program which the First Minister is talking about, possibly parks programs, possibly drainage programs even, through the Department of Natural Resources, that even though the \$7 million has been taken away from the Department of Natural Resources and has been part of allocations of money that have gone to other things - maybe it went to the Red River Community College auto diesel shop expansion - but that there is still money available in the pot which hasn't been allocated, and that it's not \$1 million, it's \$11 million and that money could be allocated potentially to projects delivered through the Department of Natural Resources.

MR. CHAIRMAN: Mr. Premier.

HON. H. PAWLEY: Mr. Chairman, I had indicated earlier that there is a proposal right now that is being looked at insofar as Natural Resources are concerned, pertaining to parks development. In fact, that proposal involves some \$600,000 and there may very well be other proposals that will be — (Interjection) — the Minister behind me is saying, a lot more, that will be yet coming forward to the Jobs Fund.

MR. B. RANSOM: I thank the First Minister then for that answer and it becomes evident that the reason that the Minister of Finance wanted to play games and tell me to calculate the figures myself is, was that he didn't seem to know how the \$10 million that was allocated, contributed by the Manitoba Government Employees Association, could be spent; but indeed it's still part of the program evidently and we'll look forward to how the First Minister is going to have it allocated. But I am a little disturbed, I guess, at the indication now that we have from the Minister of Finance that the \$20 million which is allocated for Urban Redevelopment, it seems as though that may well be - portions of that at least - will be pulled out and allocated to something else again, so we seem to be off on a new round of announcing money, more than once, and putting it into more than one place even though it can really only be spent in one place. So what kind of commitment does the government have? How firm does the First Minister think that \$20 million for Urban Redevelopment is really going to be?

HON. H. PAWLEY: Mr. Chairman, first I would just emphasize with the honourable member that the \$10 million involving the Manitoba Government Employees Association will involve consultation and discussion with the MGEA. We do accept the fact that it was a

contribution to us from the Manitoba Government Employees Association and on the Advisory Committee, there are MGEA representatives and we will anticipate MGEA input insofar as how those funds are eventually expended. In other words, a decision would not be made pertaining to that \$10 million in isolation, of the Manitoba Government Employees Association.

In regard to the question on Portage North, all that I can say to the honourable member is that there has been the expression of willingness on the part of the City, the Federal Government and the Provincial Government to attempt, during 90 days, to receive submissions as to Portage North development. I'm optimistic that there will indeed be some finalization of a project insofar as a Portage North development.

In saying optimistic, I cannot of course guarantee to the honourable member that it will occur; that indeed the \$20 million that we've allocated for that sum will take place because clearly, if the discussions do break down and do not bear fruit, then we will have to find ways and means of expending that \$20 million elsewhere in a useful fashion.

We are hopeful, we are optimistic at this stage, as a result of the statements of support in principle, that there will indeed be a worthwhile project agreed to by all three levels of government insofar as Portage North is concerned.

MR. B. RANSOM: Mr. Chairman, there still is \$63 million to be raised by way of The Loan Act under the Jobs Fund. Does the First Minister know, at this time, for what purpose that \$63 million will be designated?

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

IN SESSION

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. The time being 4:30, Private Members' Hour. The first item on the agenda for Monday's Private Members' Hour is Private Member's Resolutions.

PROPOSED RESOLUTIONS

RES. NO. 7 - TOWARDS DEMOCRACY IN THE WORKPLACE

MR. SPEAKER: On the proposed of the Honourable Member for Wolseley. The question is open.

The Honourable Member for Burrows.

MR. C. SANTOS: Thank you, Mr. Speaker. I would like to speak in favour of the resolution, and in so doing I would like to explore some philosophical questions which are fundamental questions in our society. For example, I would like to ask such questions like, why do we need to work? If we do, what kind of a workplace do we decide to work in? Whenever we talk about democracy in the workplace, what do we mean by democracy? What are some of the fundamental values

and beliefs connected with the concept or notion of democracy? If we are to have democracy in the workplace, what are the alternative means that have been tried somewhere else, in order to implement democracy in the workplace? Questions like, why is it desirable that we should have democracy in the workplace? These are some of the questions I would like to deal with, Mr. Speaker, within the time allocated.

So I ask the first question. Why do we have to work? The Member for Lakeside had stated that we work in order that we may have something to eat. It is one of the many reasons. We work in order to earn our means of livelihood, in order that we might eat. But what about the reverse question; do we eat in order to live, or do we eat in order to work? I think we eat in order to live, and we live partly to work, and partly to do other things. Some people live to eat, but that is not a very good way of spending their lives.

I ask, why do we need to live, why do we want to live? What is the purpose of life, what is the purpose of existence? I say the purpose of existence is so that we may use our time on this world fruitfully in order to serve others; to serve our community; to serve our country; to serve the nations to save the world. So service, to me, is one basic fundamental reason why we need to live. In order to live we need to work.

Is work a destiny or fate of mankind? It seems it is, because of the initial disobedience, man has been cursed, in the sense that in toil persons - I'll be careful this time - persons, human beings, shall eat by the land all the days of their lives, and in the sweat of our face we shall eat bread until we return to the dust from where we came from. So prehistoric man had work in their own way, they had to pick berries in the wilderness, search the forest for wild fruits. They hunt in their own way and they fish in streams of the river; that is work.

When we invented the crude utensils, in the agricultural stage of development of humankind, we begin till the soil with the crude weapons, whatever we had. We grow some grains, and we grow some vegetables, and we grow some fruits; we still have to work in order that we may eat. When we organize the system of work into a more industrialized system the emergence of the factory system during the industrial revolution comes the industrial age in our society. We have seen how children and women were exploited in order to build up our industries. Work had also become an instrument of exploitation of some class or some group, as against other groups in society, children. And so we have developed legislation, social welfare legislation, that will protect the children, the women and those who are weaker segments of our society, in the process of making a living, in the process of work.

In our, now, present contemporary era, what we may call the post-industrial society, we have developed our technologies. Computers and other technological development, sophisticated systems of communications, and we apply them in the workplace. Yet, we should be aware that the system of the workplace is not merely a technological system; the system of the workplace is not merely composed of structuring, hierarchically structuring of positions and jobs, and organizing of those positions into the various organizational units, and the divisions of work duties and work responsibilities. With all the rules about work procedures and methods of production we should

remember that the workplace is also a social system of human beings, of people who, by the nature of our modern technology, have to come together as a group of human beings. Therefore, it is also a system of human interactions in the workplace, and we prepare those people who know how to deal, and who have developed the basic skills of human relations, in order to take the leadership role in the place of work in our modern post-industrial society.

Whenever we talk about democracy in the workplace, what do we mean? What do we mean by democracy? What are some of the basic notions or ideas that we often associate with the concept of democracy? As a system of philosophy and a system of belief, democracy implies, among many other concepts or notions, the idea that the authority to rule, or the authority to govern, the authority to run the place, or the community, or the country, the authority to govern, should ultimately be derived from the consent of those who are governed. That is a basic fundamental notion in democracy, that those who are to be ruled must consent as to who are the people who are to rule over them.

So we say that the consent of the governed is a basic notion in our democratic system of society. This is predicated on a premise often expressed, such as, the Latin maxim, *Vox Populi, Vox Dei*, the voice of the people is the voice of God. Therefore, the people must consent to the kind and system of rule. That should be established, whether we are talking about the community, or we are talking about the workplace. To be subjected to a system of rule where you have no say whatsoever will be to be subjecting yourself to a system of oppression, because you will be subjected to a system of which you have no word at all; no means to participate; no means to be consulted; no means to influence the nature of existence in that kind of workplace or community. In the largest community, as a whole, the consent of the governed is manifested in the periodic system of election that we had in our political system.

The Member for Turtle Mountain asked, when did word become government? I say that in any system, whether small, medium, or miniature system, any system where there are human interactions, there will be a system of rule going on. In that sense it will be a political organization. For example, even inside the union there will be some kind of politics going on, some kind of political interaction. Inside a church there will be political interaction, it will be a system of rule, as well. So it is in the workplace, the relationship between management and labour is some form of a system of rule as to how men shall conduct and behave their lives inside the workplace. So we talk, and can meaningfully talk, about some implementation of the notion of democracy in the workplace.

Government is unique in the sense, if you limit it to those that exercise sovereign political authority, that is talking at the highest level of the level of the state; but there are miniature governments at almost every level of organization. In your Kiwanis Club there will be a government; there will be some kind of rules and some implementation of those rules. Even in a social society that have only social purposes, they will have rules; they have charters; they have organizations; they have people who will implement those rules. That is a little government.

The important thing is that the consent of those who are ruled must be manifested and should influence the kind of condition in which they will work; in which they will live. Therefore, we should encourage a system of participation and a system of consultation, even in the workplace, in our industries, in the farm; even in the household it will be nice if work in the household would be done with the consent of those who are involved who are primarily affected.

Another basic notion is that there is a limit to those who exercise the right to decide. There is always a constitutional limitation of power, even at the highest level of the government. We cannot, for example, prohibit people from thinking about dangerous thoughts. You can think as much as you like about the most dangerous things that cannot be controlled, that cannot be prohibited by government but, when you translate those thoughts and ideas into action, that is where the government can get into and make sure that the behaviour of people are not detrimental to the total welfare of the entire society, as such. Constitutional limits, therefore, is as much a basic notion of democracy as is the power and authority to rule, or power to govern.

Another basic notion of democracy is our ideal of equality of opportunity. In a democratic system of government no matter how humble you are in your social origins, no matter how exalted you may be, where you came from, there is always a notion of one man or one person, one vote; political equality of votes. The vote of the humblest person in the community counts as much as the most exalted person in that community. The vote of a man counts as much as the vote of a woman; but there were times in our history when women were not even given the right to vote. We have approximated this notion of equality of opportunity and that is what we call social and political progress.

If we are to implement democracy in the workplace, what are some of the experiences in other jurisdictions on which we can draw from experiences that have been done in other political systems. Let us look around other countries where they have implemented the notion of democracy in the workplace. In Sweden, for example, they have a system of what we call a system of centralized bargaining at the national level. You can imagine, for example, a national labour organization making a single negotiation, a single bargain, with a national association of manufacturers, or a chamber of commerce. The two national organizations meeting together and trying to thrash out the basic agreement by which they will conduct their industrial relations in the entire country; that is Sweden. Here what we do is we bargain by business firm, or by industry, depending on how large is the basic organization involved, but in Sweden there is a collectivized national bargaining at the national level. Everybody lives under the same terms and conditions in their industrial relations.

In West Germany there is a system of co-determination in their business firms. It means that even the labour organizations will have an opportunity and a right to be elected in the board of directors of the business firm. These labour representatives that sit on the board of directors will deal, not only with the labour problems, but they will also deal with other problems like marketing of products, of industry; a true experimentation in the notion of partnership between labour and capital.

Now, what is the role of government in this relationship between labour and capital? I think the notion of government is to make sure that neither labour nor capital will overreach for its own particularistic interests at the expense of the interests of society. Because where capital overreaches for more profit at the expense of labour, there will be oppression by capital; and where labour overreaches for more wages at the expense of society, there will be oppression by labour, as well. It is the role of government to protect the national interests, and above everything else the public interest.

When we have learned that we should value co-operation for more constructive direction in the running of our industry, that it will be a notion of partnership between labour and capital, then we shall have found one formula for finding security in our society, as well as peace and happiness in the world.

Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question?
The Honourable Member for Inkster.

MR. D. SCOTT: Thank you, Mr. Speaker. It's a pleasure to get up here and to make some comments on this fine resolution brought forward by my colleague, the Member for Wolseley, on industrial democracy.

Mr. Speaker, in calling, as the resolution does, that the Province of Manitoba be requested to encourage employers and employees and their representatives in the province to undertake ongoing programs of participation and consultation in the operation of their enterprises; and further, that the Province of Manitoba, through the Department of Labour and Employment Services, consider the advisability of assisting those enterprises wishing to establish consultative and participatory mechanisms with their employees and their representatives.

Mr. Speaker, in the two "BE IT RESOLVES" of this fine resolution, it is a bringing in of recognition of the role that the individual worker plays in passing and in the development of industrial enterprise. Mr. Speaker, one must look at, and we heard just a few minutes ago from the Leader of the Opposition when the Member for Burrows was commenting on the role of the employee, of the individual worker in the enterprise, the Member for Charleswood calls back and says, "How many shares have they purchased?"

Well, Mr. Speaker, in the concept of industrial democracy, one recognizes the commitment that people put forward. Some people put forward a commitment through purchasing shares, and they purchase shares out of basically surplus capital. If a company goes under, they lose their investment; they don't lose their livelihoods. If a company goes under as well, the labourer themselves, the people working for the plant - the employees - they lose everything. They've lost their employment, Mr. Speaker. They lose what their families are dependent upon, and the members opposite laugh at that. Well, I don't think that is a laughing matter.

When someone has committed themselves, through their training, towards working with a particular firm, and when that firm prospers, he prospers. When that firm does not prosper, when that firm closes up, he loses everything. The only thing he's got, with a little

bit a luck, if he's had a union in his plant that can orchestrate the development of severance pay, he may attain some severance pay. If he has a union as well, he may have some sort of pension benefits that he can call upon at that time or at least later on in his life.

But the person who is making a capital investment themselves are often doing that for taxation reasons. The investments themselves, if they borrow the money for the investments, are tax deductible; whereas the individual who was working for the plant gets a slight tax consideration through an expenditure to calculate against one's taxes for employment expenses of, I think, it's \$500 a year, which for most employees in a 20-25 percent tax bracket does not amount to a terrible amount of money as far as savings on their taxes, compared to someone that's borrowing, or someone that's writing off capital losses.

Our present system that we have today is not really recognizing the role of the two factors and how they have to work together. I'm not speaking against the people who put up the capital, for that investment capital is critical. It is very critical to the survival and to the future prosperity of any industrial concerned; but we must also recognize how critical the labour put forward by the employees of that firm, how critically important that is to the survival and to the prosperity of the firm as well.

We are presently living more and more in an age of communication and yet, in most of our industrial enterprises, there is a great lack of communication, a lack of communication in the highest degree, between the workers and the management or the directors of those corporations. Information and the expanse of that information throughout the organization so that all the employees have a firm understanding of what the direction of the firm is, what decisions that are to be made, are so critical to their future employment and to the integrity of the firm itself. When there's no communication and no understanding between the workers and the management or the owners of that operation, of that industrial concern, one has a critical void in the operation of that firm.

Now, in Japan, they've recognized this, because that is a country where there's a great deal of emphasis put on innovation. They started off years ago copying a lot of the things that were marketed and produced in the so-called western economies in North American and in Europe. You can go back - you look, for example, at the earlier cars, or go back to the Datsuns, the Datsun 510 - you take the engine out of that and compare it with a Mercedes and you find an incredible comparison. They've taken, copied in many instances, western ideas and made improvements upon them. By making those improvements in their copying and the research into the improvements, one develops the technology, one develops the skills in that technology towards moving onto new heights. They certainly have done that in the years since then, and the North American industry is still nowhere near caught up to their level of design, in particular.

As we move towards a more high tech form of industrial economy, we find in this country, in particular, that this bond that we have, or the bond to the old industrial system where the employee is on one side and the employer on another side of a coin, and they get together every couple of years to bang heads over

negotiations but have next to no communications between one another, especially in the form of what kinds of new investments are coming forward, especially in trying to plan collectively, as a total working body, as a living entity, the future of that firm.

When you look at the higher technology firms, electronics is just one example of it. I have here a statement that was given several months ago, about half a year ago, by Les Barton, who was the Vice-President of the Mitel Corporation. He was saying that their firm and their whole future depends on innovative people. He says, people carry the future of his industry in their heads. It's a very creative art and you tend, if you're not careful, to burn yourself out very quickly.

So one of their driving forces that they've tried to build in Mitel is participation and information exchanged throughout the company towards towards the environment that the people work at to best pull out the skills of one another so that you're not building up a bureaucratic empire where information is power and people hold information from other sectors of that enterprise towards the goal of preserving their own little entity within the firm.

In any organization that is based on entrepreneurship, that is based in a world of quick changes, you cannot have a fixed organization as we have had with our typical bureaucratic approaches to industrial as well as government organization in the past years; it must be a very loose organization, it must be flexible. There must be communications to all levels and most workers must be informed as to what is going on in the firm. There's got to be regular seminars within the firm; there's got to be regular forms of communication between workers so that one worker can go into another worker's area and find out what they are doing; what they are developing; what they are working on and to trade ideas off from one another. It's one of the strengths of our academic communities; because there you have high intellect working in close co-operation with one another, in feeding off one another's ideas creating new ideas.

So we need, if we're going to go anywhere in this competitive world that we're living in right now, we need as a nation to put our act together like it's never been put together before towards industrial co-operation. Co-operation which recognizes the virtual equal status, the future of the firm in the partnership of investors and employees because without that this country will not have a future in an industrial world.

We are already at the stage where, I understand, we're de-industrializing faster than any other nation in this world largely because of a lack, I believe, of research and development; and one of the reasons for this lack of research and development is because of the branch plant economy that we have in this country; and because of the branch plant economy most of the research and development is done in the parent company's land, wherever that may be; and with the mobility of capital, capital is far far more mobile across boundaries than our workers naturally, because workers have such a thing as citizenship. There's no such thing as citizenship to a currency.

A currency may have a stamp of a particular country on it but it flows back and forth across boundaries; in many instances to the detriment of the workers in the countries where the money is flowing out of, and that

gives us the real problem that we're being faced with in Canada today, is the tremendous flow of capital outside the country moving towards - be they country on the Pacific rim, on the far side of the Pacific rim, on the far west of the Pacific rim - where labour is so cheap compared to what it is in Canada and not just Canada other countries are recognizing the same problems.

So one has to work towards ways that you keep more of the investment capital which is what determines the future of the country, be it public or be it private - and in this instance we're talking about private capital primarily - because public capital one would associate with reinvestment within that particular nation.

So one has to look at the mobility of capital and the employees, and the role that the employees have totally been excluded from right now, is in investment decisions. So unions over time - and I would say the time is very short for them to move in these directions - are going to have to expand the scope of their collective bargaining to exercise more influence on the investment decision-making and participation in investment decision-making. Then the employees will have some input into where the capital is being spent.

One of the ways that this has been achieved probably more successful than any other methodology that we've seen exercised around the world, is what I would call the example that's set out so clearly by the Member for Radisson when he spoke last week on this issue, was the example of a co-operative movement, industrial co-operatives, that is, and in particular the Spanish or better put, the Basque regions Mondragon Co-ops.

The Mondragon co-ops, Mr. Speaker, have grown from 1956, it was just a handful of people, to now having an enterprise of some 22,000 workers actively involved in the management of their firms running some 100 industrial co-operatives — (Interjection) — it is in the Basque region in Spain, if the members opposite have an any idea of the geography of the Basque region, *Le pays Basque un Francaise, mes amies*.

In their example what they have done, they've developed a network of some 100 industrial co-operatives - as I said there's some 23,000 workers - they have their own bank, they have their own technical school and universities because the state, up until very recently, wasn't interested in co-operating with them so they had to do it on their own. Under Franco's Regime there was no interest in co-operating whatsoever with the co-operative system here. Even when democracy started moving back into Spain again, these people were not recognized, the workers of these co-ops were not recognized for health benefits because they already had their own health co-ops as well which provided the services for their members and their families.

But they have, Mr. Speaker — (Interjection) — the Member for Lakeside I guess made a statement that he doesn't believe in medicare because the only people that should benefit from medicare is not our nationwide medicare system but one of which is based around particular companies. He said that is the way it should be, the example that they have here, that the government should not be co-operating with this organization because it was based on co-operative principles.

The basic form of the success of the co-ops is the idea of reinvestment, the reinvestment of their earnings.

Of the earnings of the firms - and I might get their percentages somewhat wrong here - but 10 percent of the profits of the individual co-ops go to the community for community projects. Then after that 10 percent they then have some, I believe, it's some 30 percent goes to the employees themselves as a dividend payout and the rest, some 60 percent, goes into their bank populaire, their central bank. From this central bank then the money is used, not so much for consumer loans, but for loaning out to new industrial initiatives, the spinoff and to grow new co-ops, to develop new co-operative ventures, where the workers themselves are once again in control of the decision-making. They hire a general manager but that general manager is under the direction of their board of directors which is elected by the employees of that firm. So they have the ultimate there in a very broad sense of industrial democracy. There the workers, through their representatives which are elected each year, make the decisions.

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

MR. H. ENNS: No, I'm simply asking would the member entertain a question at this time, Mr. Speaker?

MR. D. SCOTT: Okay, I'll accept it now, Mr. Speaker.

MR. H. ENNS: We are interested and intrigued by the honourable member's description of what obviously is a very successful development of a co-operative under what, I think he said, under perhaps very difficult circumstances. Certainly the Franco Regime was not a regime that was supportive of the co-operative movement or in any way aided and abetted the development of this co-operative movement.

Perhaps the honourable member could explain to us why, in Canada, where under all forms of government, we are prepared and supportive of co-operative development and movement and particularly in Manitoba, where we've had in the last number of years, eight years of the NDP Government that is very supportive, in the last two years, why this same success is not developing to the Red River Co-operative that I understand is now closing its final store or indeed the credit unions for whom we've had to borrow \$30 million dollars.

MR. D. SCOTT: Mr. Speaker, I hope my time has been extended by the amount of time of the member's questions. They are rather long questions. I would love to answer that. One of the main reasons is because, within the Mondragon Co-op family, there is a compulsory participation. They have not allowed the — (Interjection) — and the members opposite laugh about the compulsory form of participation. They have elections which people participate in; they have developed a system where the co-ops are not run by a couple of managers, which has been a downfall of Red River Co-op, because there is no participation by the employees in the local co-ops, of the natures here.

What has happened is that the management of the co-operatives in Canada, to a large extent — (Interjection) — and if the members opposite would

stop hollering and listen for a second, they would recognize that for a co-operative to exist and to develop, you cannot turn over the management of that firm to a select group of people to manage it for you and then go off and do your own little thing without recognizing your responsibility to the firm. They have to be recognized as a part of that and I might add that the only time in Mondragon experiments, the only time that they'd ever had any strike problems was once and that was in 1974 and that was because the co-op had gotten too large, because the participation of the members got too lax and because they had left too much up to a few hired managers who are responsible to the board but, in this case, the board was becoming more responsible to the appointed managers and with that came the demise of the democratic and industrial democracy within the firm. You had divisions in the firm and you had a strike. The strike lasted a total of eight days and then, when they came back, they then buckled down and they said, okay, we have a responsibility; if this is going to work, we have to participate in its working. They kicked out the general manager; they brought in another general manager who was going to operate the firm under the principles that all the rest of the co-ops were succeeding with and that then gave the basic concept itself its strength once again.

So, Mr. Speaker, we have there a system of participation, of recognition of the role in capital that labour employs. Here the labour themselves, the profits that those firms make, is recycled to establish more co-ops in the region and that is why, that in all of Spain, when the country's economy was going in a tailspin a few years back, they still had growth; they are adding more jobs into that area and they've become the largest producer of household appliances in all of Europe. They have now moved into high technology; they're building robots. They've got the complete gamut of the industrial sector built in and with that, Mr. Speaker, in closing, they have developed a system of industrial democracy which is the envy of the world.

I would suggest and encourage all members of the House to join in the support of this resolution, in moving towards a system of industrial democracy, be it based on a co-op model or be it based on a new input into North American industrial relations.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. I have read this resolution and found it to be a reasonable sort of a resolution to debate and I have to tell you that until the Member for Inkster got up and used his rather fuzzy thinking in developing an argument for this resolution, I have to tell you I had to participate in it.

This man, this person from Inkster, who purports to be an MLA, just indicated to us, in speaking to a resolution on democracy . . .

MR. SPEAKER: Order please. All members of this House are duly elected MLAs and the honourable member should not question their right to be here.

The Honourable Member for Pembina.

MR. D. ORCHARD: Mr. Speaker, you are absolutely correct and I would remove any reflection on any MLA

in this House by the statement I just made about the MLA for Inkster.

Mr. Speaker, the MLA for Inkster just talked about — (Interjection) — I think you can find the explanation, Mr. Minister of Health, if you think about it. Mr. Speaker, the MLA for Inkster just spoke on democracy in the workplace and in his discussion of democracy he explained about the only successful co-op he knew being successful because it required compulsory participation of its members. Mr. Speaker, if that isn't the fuzziest kind of thinking, the strangest sort of logic; it is only logic emanating from the far left, as I indicated on Thursday of this week. This MLA for Inkster is totally out of touch with reality when he speaks on various subjects in this House and he demonstrated it clearly again that he didn't understand what democracy means, because he used as his example, as I say, of democracy, a co-op based on compulsory participation.

Maybe in his and the Attorney-General's little world of democracy that they're trying to create for Manitoba, compulsion will be the order of the day in all matters for the people. They will obey. As the Attorney-General told us today, he will order the House and he will designate what business is to be there.

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

MR. D. SCOTT: Mr. Speaker, it's not a point of they obeying, it's a point of they participating. They participate financially and they participate through the meetings that they have within a firm and it's done during work hours and before work hours as well and it's the workers who are the ones who are participating; they own the plant.

MR. SPEAKER: The Honourable Member for Pembina.

MR. D. ORCHARD: Thank you, Mr. Speaker. The more fuzzy explanation we get from the MLA for Inkster, the fuzzier he becomes, visually and thinking-wise.

Mr. Speaker, this is a laudable goal, to have democracy in the workplace. I think what honourable members opposite, and maybe even the one who brought this resolution forward, the MLA for Wolseley, have probably failed to recognize is that it has only been in the free enterprise society of the Western World where workers have enjoyed any semblance of economic freedom, where they have had their democratic rights to choose the place of work, to choose their lifetime goals and working ambitions.

That exists in the free democratic Western World, and it is within that system of democracy private enterprise and freedom of choice of the individual as to what his future may be, and his future can be as good as he wishes to make it. It is within that kind of a free enterprise system that we have given to workers, to the citizenry of this nation, of North America and of the free Western World, the highest standard of living in the world. They have more wealth, they have more material wealth and they have derived from that material wealth the spiritual enlightenment that comes with Christianity and free enterprise in democracy. And they have gotten that because of the democracy that we have been given by our forefathers, the right to vote,

the right to participate in private enterprise, the right to choose your livelihood, where you work and the career that you're going to take.

For the MLA for Inkster to come up and justify an argument of furthering democracy in the workplace by using the concept of a compulsory co-op is foreign to any principle of democracy that we, on this side of the House, understand, and indeed foreign to the understanding of democracy that 99.9 percent of Manitobans know as a goal for democracy. The only ones eluding it are the ultra left-wingers, like the MLA for Inkster and the other crew that theoretically support him on that side of the House, who we can't identify as of yet, but we will soon be able to identify. They're absolutely out of touch with reality and the MLA for Inkster demonstrated that today. You know, they talk about democracy in the workplace and this resolution attempts to focus on it.

I want to ask, based on a statement that, once again, the last speaker made. He said that what was needed was some communication and understanding between workers and management, and that this understanding and communication between workers and management would lead to a more harmonious operation of the business, hence, better profitability. Theoretically, I would assume of the business, and with better profitability to the business, then more chance of long-term employment for the employee - co-operation, communication, understanding, being to the benefit of both the company and the worker.

Well, I might ask members opposite to give some consideration - and they may wish to amend this resolution and bring this in as part of the consideration - I'll bring this idea forward now. Possibly they should have added in here, into this resolution, the desire to have the same kind of communication and understanding between the rank and file union members and the union bosses. That kind of communication and understanding would . . .

MR. B. RANSOM: You don't mean democracy in the unions?

MR. D. ORCHARD: Well, my colleague, the MLA for Turtle Mountain, asked me if I meant democracy in the unions and that's exactly what I mean. I think a little bit of democracy in the union organizations of Manitoba would likewise bring about a great deal of harmony within the workplace. They would bring together profitability in the companies, and if the union leadership would only undertake the same kind of communication and understanding with their rank and file membership that this resolution advocates take place between management of a company and the employees of the company, we would indeed have democracy in the workplace, Mr. Speaker. But I fear, as many many Manitobans fear, that kind of democracy does not exist within the labour union organization in some of the unions of this province.

Now, as a small example, the Schneider's union, the Schneider's strike and lockout, whatever you want to call it, the labour dispute at Schneider's was — (Interjection) — Mr. Speaker, I thought I heard something from the back row, an echo of some cartoon character. But, Mr. Speaker, the Schneider's work

disruption was a classic example of the workers and the management of the union being out of touch and not communicating. That strike went on longer than what was wished by the rank and file union member who would belong to that union. It caused more disruption in the families of those union workers that wanted to go back to work, that wanted to settle, that wanted to get back on the payroll so that they could support their families. But who wasn't listening? Who wasn't communicating? Who wasn't understanding and listening to the rank and file in the union? It was the union bosses, and they were saying we know what's best for you - the rank and file worker that belongs to this union - and we are going to keep you out on the picket lines without pay, without job benefits, without future job security and, if necessary, the union bosses said, we will allow this plant to close.

Well, that wasn't communicating and delivering to the bargaining table the hopes and the aspirations of those rank and file members of that union. They wanted to work. They wanted to get on with their jobs and some of this resolution could well be applied in the union halls to truly bring about democracy in the workplace. A little bit of communication between the rank and file in the unions, and the union bosses would go a long way, Mr. Speaker, to creating a harmonious labour-management relation in this province and in this country.

You know, they've learned a lesson in the States, Mr. Speaker. The major kinds of strikes don't happen in the States as they were wont to happen over the past several years in Canada. They learned their lesson down there, that they couldn't wring blood out of a stone, and they have harmonious negotiations, and the union management I believe, by and large, reflect the rank and file aspirations of the unions in the States.

Such is not always the case in the unions of Manitoba and of Canada and it's not hard to see why not when you get the kind of radical union representation from the Dick Martins and the Bernie Christophes and others. Those people don't represent the rank and file membership file of their union, they represent the left-wing fringe that the MLA for Inkster is part of and the Attorney-General is part of. They don't represent the aspirations of the average union member, and if they wish to add democracy in the workplace that is an amendment that could become part and parcel of this resolution. Knowing the kind of understanding, wisdom and clear thinking that the MLA for Wolseley has become renowned for in this House, I know that immediately before she brings this resolution to a vote, Mr. Speaker, that her clear thinking, clear purpose and concise understanding will force her to bring that kind of an amendment to this resolution before we pass it. I am quite convinced that will happen, Mr. Speaker.

Now, Mr. Speaker, you know there are other ways of creating harmonious labour relations in this country of ours. There was a plan that was brought out in 1976 and it wasn't a new plan, I'll admit. It had been studied in various forms by various people over a number of years, but it was called the ESOP plan, the Employee Stock Option Plan. ESOP is the acronym. Now this was brought forward by a candidate for the Progressive Conservative leadership in the contest of 1976. Now, subsequently, that individual was not elected, etc., and he didn't garner support, so the plan sort of did not

get adequately discussed over the last number of years. But the Employee Stock Option Plan was a method of truly creating democracy in the workplace. The ESOP brought about a true participation of the working people, the employees in their company. What is required for ESOP to work is an amendment to the Federal and Provincial Taxation Acts whereby it is financially rewarding from a taxation standpoint for both the company and the employee to purchase shares in the company he is working in or for that matter in another company if he so desires. That would allow for share ownership to be beneficial to the employees and it would allow the employees through share ownership to have their fair say in the management of the company.

That is being undertaken to my knowledge even today by one firm in Ontario called Supreme Aluminum. They are a non-unionized aluminum fabrication industry. They make everything from aluminum pots and pans and kettles etc. etc. to aluminum ladders and all sorts of aluminum products. They have, Mr. Speaker, without the advantage of the tax benefits that should stimulate this kind of a program to come into place, actively brought in their workers into the share ownership of the company. Employees are members of the Board of Directors through their share ownership, etc. etc. etc. They have truly a democracy in the workplace and Supreme Aluminum, as of the last time I had received statistics on their company, had the least labour disruption because of strikes or lockouts. It was a harmoniously run company with co-operation between the workers, the employees and management. It was non-unionized because a union was not deemed to be of any value to them. They paid above average wages in the industry and they shared in above average profits through their share ownership in the company.

The employees had a built-in retirement plan because they own shares in an ongoing, viable and profitable company. They had a vested interest, Mr. Speaker, in assuring that company worked well without work stoppages because of strikes. They had a vested interest in assuring that the productivity of the assembly lines was high, because the higher the productivity, the better the profit to the company. That is the glowing example in Canadian industry of true worker participation in the company; true democracy in the workplace, if you will. But it needs to be expanded through amendments to the taxation system both federally and provincially. Should it be done, we could eliminate, Mr. Speaker, by and large the need for a lot of autocratic and non-representative labour unions

where the upper echelons get in their guided thrones and dictate to the rank and foul members of the union and cause strikes, lockouts and bad negotiations with management. We don't need that in a true democracy of the workplace. If this resolution were further amended to reflect that, it would truly be a resolution worthy of consideration by this government and by the Federal Government.

Now another company that utilizes a great deal of employee input and has a shining record of success compared to other companies in that industry is Dofasco Steel. Dofasco Steel regularly has employees represented on management teams, so there is a common liaison between management and the workforce. Dofasco Steel has not developed the motto, "Our product is steel, our strength is people," lightly. That is exactly what they have done and they are probably, without question, the most successful steel industrial corporation in Canada and they may well be the most successful steel company in North America. They have done it. They have done it, not through the autocratic rule of the labour union and non-representative upper echelon union bosses; they have done it through genuine co-operation between the workforce and management, something that this resolution wishes to accomplish, but fails to accomplish because it has not been inclusive enough in its drafting. I would suggest to the MLA for Wolseley, and I know she takes my suggestions seriously, that she amend this resolution before we bring it to a vote and that it include a couple of the ideas that I have put forward this afternoon, so that this resolution can truly reflect democracy in the workplace and not the kind of left-wing autocratic compulsory participation that the MLA has suggested means democracy in the workplace.

MR. SPEAKER: Order please. Order please. When this resolution is next before the House, the honourable member will have three minutes remaining.

The Chair will accept a motion to adjourn.

The Honourable Minister of Natural Resources.

HON. A. MACKLING: I move, seconded by the Honourable Member for Pembina, that subject to the committees of this House meeting at 8:00 o'clock, this House do now adjourn.

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