

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, June 11, 1975

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have as our guests 35 students Grade 8 standing from the St. Joseph Separate School from Dryden, Ontario, under the direction of Mr. Nilmering.

We also have 29 students Grade 9 standing of the Landmark School under the direction of Mr. Falk. This school is located in the constituency of the Honourable Member for Springfield, the Minister of Tourism, Recreation and Cultural Affairs.

And we have 20 students Grade 11 standing of the Glenlawn Collegiate under the direction of Mr. Wheeler. This school is located in the constituency of the Honourable Member for Riel.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENT

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I would like to project a meeting of Law Amendments Committee for Friday at 8:00. There are several bills now there, and I would hope that several bills now on the Order Paper could get to Law Amendments Committee by Friday, and accordingly I would ask the members who are holding them to bear that in mind so that the Clerk could possibly tell any persons who are wondering about when Committee will meet with regard to those bills, that we will be meeting on Friday at 8:00 p. m.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions.

The Honourable Member for La Verendrye.

WITHDRAWAL OF BILL NO. 4 - R. M. OF HANOVER

MR. BOB BANMAN (La Verendrye): Mr. Speaker, on a point of privilege I'd ask leave of the House to withdraw Bill No. 4, an Act respecting the Rural Municipality of Hanover under the Public Bills.

MR. SPEAKER: Is that agreed? (Agreed)

ORAL QUESTIONS

MR. SPEAKER: Any other questions? The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I was wondering if the Minister of Education had any information available on the Arctic Institute regarding the question I asked several days ago.

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): I hope to this afternoon, Mr. Speaker, but I did not have an opportunity to bring the information to the House, but I do intend to tomorrow morning.

MR. SPEAKER: Orders of the Day. The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, in the absence of the Minister of Public Works I address this question to the Acting Minister of Public Works, and I must say I'm sorry I don't know who it is. Could the Minister advise the House as to the proposed use of the old Grace Hospital? Is it still intended that it will be used for a Detoxification Centre?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, in the absence of the Minister I'll simply take it as notice, and hopefully have the reply tomorrow morning.

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MR. G. JOHNSTON: If the First Minister would also take as notice a further question. What use is presently being put to the 17 houses on Evanson Street that are owned by the province?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister of Urban Affairs) (Seven Oaks): Mr. Speaker, those homes are now owned by Manitoba Housing and Renewal Corporation and are used for family public housing.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: I wonder if the First Minister could indicate whether the Minister of Highways is likely to be back during the session, before we wind up the session?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, my understanding is that the Minister may well be in for one day this week, and possibly a day or two next week, but he is not expected to be resuming normal duties for a period of some weeks.

MR. CRAIK: Mr. Speaker, I wonder then in his absence if I could direct an inquiry through the Acting Minister, and I don't at this point know who it is . . .

MR. SPEAKER: The Minister of Agriculture.

MR. CRAIK: . . . the Minister of Agriculture? It's with regard to the particular problem on the perimeter highway of using the rights-of-way for motorcycle racing, and I've taken the question up with the Attorney-General but it appears to fall between the two departments. I've also discussed it with the Deputy Minister of Highways. Because the problem has gone on for some time now, several weeks, I wonder if the Acting Minister could undertake to see that the signs necessary to prohibit the use of the rights-of-way, particularly in the areas that are built up, if the signs prohibiting the use of the right-of-way for motorcycle racing, trail bike racing, and so on, could be hurried along since we're in that period of the year when they're, you know, used very extensively for that reason.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I appreciate the concern of the honourable member and I will attempt to get some information for him soon.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd just like to direct a question to the Minister of Autopac, and ask him: On June 19th when the agents come into Winnipeg to get briefed up on general insurance if they will be paid expenses for mileage and meals while they're in Winnipeg?

MR. SPEAKER: The Honourable Minister of Public Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Mr. Speaker, I know that the Corporation in the briefing of the agents will be providing a luncheon at the Winnipeg Convention Centre where the Seminar will be held, but I don't believe that the expenses of the agents will be paid for that day.

MR. McKELLAR: Another question. Could he inform the House how many agents have already been appointed for the coverage of general insurance?

MR. URUSKI: Mr. Speaker, I can only give an approximate figure, I don't have the details. There are applications still coming in and being reviewed, but I do believe the figure is in excess of 300.

MR. McKELLAR: Mr. Speaker, I was just wondering when do you expect to start selling insurance? Is the first of July the date, the deadline you're going to start?

MR. URUSKI: Mr. Speaker, the program will begin on the 2nd of July actually, because I believe the 1st of July is a holiday and the insurance program will be offered on the 2nd of July.

MR. McKELLAR: Another question. I just wonder if the Minister could table in the House copies of all the policies and also the amounts of commissions that you're going to pay?

MR. SPEAKER: Orders for Return. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I regret the continued illness of the Minister of Highways. The First Minister is familiar with the question that I'm going to ask now, and that has to do with the 20 miles of road into Pelican Rapids. Is the effort

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(MR. BILTON cont'd) being continued with the Department of Indian Affairs to maintain the road 12 months in the year?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I'll have to take that question as notice.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): I have a question to the Minister of Health and Social Development. I wonder if the Minister can indicate to the House what share, or what part of the cost is the Provincial Government sharing of the ambulance service which was created under the new Winnipeg and Provincial Ambulance Service?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Chairman, it's a per capita grant that the province makes to these different municipalities. I think it ranges from \$1.00 to \$1.50, and then of course there is certain things that they could do with that either for capital or communication, and so on, and they get that grant and then they administer their own.

MR. PATRICK: A supplementary. Does the same grant apply to all municipalities throughout the whole province?

MR. DESJARDINS: Mr. Speaker, it's a per capita grant for all municipalities.

MR. PATRICK: Can the Minister indicate to the House if there's any agreement of sharing of deficits? Another part to that question, has the Minister given any consideration to putting the ambulance service under the Medicare scheme?

MR. DESJARDINS: No, Mr. Speaker, to both questions.

MR. SPEAKER: Orders of the Day. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I address my question to the Honourable the Minister for University Affairs. Could he inform the House as to whether or not the University of Manitoba purchases small animals, such as dogs and cats, for experiment for vivisection work of any kind, and if so, how are the animals acquired. From individuals or from the pound or however?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I wish to thank the honourable member for having given me notice on this question a couple of days ago. But this is a matter within the jurisdiction of the university and I would suggest to the honourable member that he direct this question to it.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. GREEN: Mr. Speaker, I wonder if honourable members would be disposed to permit the introduction of second reading by the First Minister of the Pension Benefits Act which was distributed yesterday. It would normally not be on the Order Paper until tomorrow.

MR. SPEAKER: Is that agreed? (Agreed) The Honourable First Minister.

BILL NO. 57 - THE PENSION BENEFITS ACT

MR. SCHREYER: Mr. Speaker, there was perhaps some misunderstanding on my part. I was of the impression that Bill 56 was distributed sometime after 4:30 yesterday but if it was only this morning, I would still like to pursue the request by the House Leader for leave so that I can put on the record what the essence of the legislation is, Mr. Speaker.

MR. SPEAKER: Order please. Will the honourable Minister introduce the bill first please?

MR. SCHREYER presented Bill No. 57, the Pension Benefits Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the bill before us is really an attempt to bring forward, after perhaps a decade of consideration of the subject matter, a form of legislation that will provide for better disclosure and regulation of private pension plans so as to hopefully improve the degree of security to the thousands of employees in this

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(MR. SCHREYER cont'd) province who are under private pension plans of one kind or another.

I suppose, Mr. Speaker, sir, that I could begin by stating the obvious, that since 1964 a number of jurisdictions in Canada have put this kind of legislation on the statute books, so that it is not a case of Manitoba being exactly in a vanguard in this respect. It is not to say that there isn't some difficulty in bringing this legislation forward because if it isn't done with considerable caution and prudence it could create havoc with the financial operations of many smaller firms in the province. And that's why a close perusal of Bill 57 will show that it is not legislation which attempts to get off to any fast and dramatic start the kind of ultimate pension benefit legislation security that we have in mind. There are thousands of employees in this province, and like in every other province of Canada, who depend for their retirement income on the savings that were put away during their working years. Unfortunately some of the pensions currently being received are not as large as they ought to be in order to enable retired persons to maintain the standard of living enjoyed prior to retirement. Because of this deficiency, this inadequacy, it is necessary for both Federal and Provincial Governments to provide supplementary pensions to those retired persons who are in need and whose earlier pension provisions were inadequate in almost every respect.

Many pensions are inadequate because either the employee did not participate in a pension plan through the whole of his working career, or in many cases elected for a cash settlement instead of a deferred pension when he changed jobs, or because an employee was unable to preserve his pension rights when he changed jobs, or, as was the case with many thousands, worked for an employer who had not established a pension plan, or participated in a plan which provided inadequate pensions in relation to service. Many employees have lost some pension rights because they were not made aware of the options available to them on termination of employment. Some employees have not received the benefits they were promised because the assets of the plan were inadequate to provide the benefits, and certain numbers of employers were either unwilling or unable to make additional payments in order to assure that the actuarial promise could be fulfilled.

Under the constitutional division of powers between Provincial Governments and the Government of Canada the regulation of pension plans is primarily one of provincial jurisdiction. By amendments to Section 94 (a) of the British North American Act the Government of Canada has been given the power to legislate on Old Age, Survivors and Disability Pensions, but the regulation of private pension plans remains strictly that of the provincial domain. It is our expectation that the proposed legislation will provide remedies for many of these problems.

The purpose of this legislation now before us is to promote the establishment, extension, and improvement of pension plans throughout Manitoba. And that, Mr. Speaker, is merely another way of saying that one of the terms of reference of a Pension Commission and Superintendent of Pensions, that is contemplated here in this Act will be one of education, dissemination of information or education, and promotion of the concept of the more pervasiveness of pension plans and greater actuarial integrity of them.

It is also the purpose of this legislation to attempt to protect better the pension rights of those employees who change jobs prior to retirement; to ensure that each pension plan becomes able to pay the benefits which have been promised - and I use the word "promised" here more in the sense of general and vague expectation of what is to happen with respect to post retirement income.

Also, sir, one of the purposes of this legislation is to provide employees with adequate information about the pension plan in which they are participating. In other words more disclosure, more systematic disclosure, or information.

The Act is applicable to all plans where an employer makes contributions, and some or all of his employees are under the jurisdiction of the province.

The Act is applicable to public employers such as the province and municipalities, as well as to private employers, such as corporations, partnerships, and sole proprietorships.

If an employee has completed at least 10 years of service with an employer the Act requires the plan in which he is participating to protect the pension benefits which he has

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(MR. SCHREYER cont'd) accumulated as a result of service in Manitoba after the qualification date. And the qualification date would be a date some time I should think approximately 8 months to 12 months after the coming into force of the entire Act.

Similar protection is provided to employees who have completed at least 10 years membership in a plan established for employees of a number of employers, or for employees in a specific industry or trade. The qualification date will be chosen by the Lieutenant-Governor-in-Council pursuant to provisions of the Act.

It is expected that July 1 - this is just an estimate, sir. It is expected that July 1, 1976 may well be the date chosen as the qualifying date. A period of service or membership before the qualification date can be used in determining eligibility for this protection.

If an employee terminates service prior to age 45 he is able to exchange these rights for the cash settlement available to him under the plan. If he terminates service after age 45, but prior to his retirement age, he is able to exchange part of his pension rights for a cash settlement. If the plan permits, an employee who terminates service after age 45 may receive in cash any amount up to 1/4 of the value of the pension rights protected under the legislation. If he does he will receive a pension which is equal to at least 3/4 of the pension which was protected. These benefits will be in addition to any benefits provided under the plan as a result of service or membership prior to the qualification date.

I might add, sir, although as one goes into it one sees why it's necessary, that the protection of pension rights has not been made retroactive. The requirements applicable to the protection of pension rights do not apply to contributions made by either an employee or his employer, or her employer, prior to the qualification date, or to the pension accumulated under a plan as a result of service prior to that date.

I should also inject here, Mr. Speaker, that it is hoped that it will be possible to work out arrangements between plans which will make it possible for employees to preserve more of their pension rights when they change jobs than has been the case historically. The achievement of this objective has been made one of the principal tasks that will be given to the pension commission once it is established pursuant to this Act. It is hoped that the boards responsible for the administration of the pension plans sponsored by the province will assist the commission in the development of such arrangements. And there, sir, I am merely suggesting that for purposes of getting the operation of this Act under way, that there is an expectation, which I am expressing now and I suppose that too is expressing the obvious, that the experience that has been gained over the years by the Teachers' Retirement Fund administrators, by those responsible for the administration of the Civil Service Superannuation Act, will be called upon for advice from time to time as required.

The fulfillment of the promises contained in a pension plan depends upon the willingness and ability of an employer to make payments unless adequate contributions are made each year to finance the benefits being accumulated.

The plan does not at present have assets which are sufficient to enable it to fulfill its promise of future deferred income. It is important that additional payments be made until this deficiency is corrected. It is expected that the contribution requirements will be similar to the requirements contained in regulation already in existence in the other provinces which have established similar legislation in the course of recent years. The ability of a pension plan to provide benefits as promised also depends upon the contributions being invested in securities which can be expected to have value, enhanced value indeed, in the future. As a result the regulations will contain restrictions, certain restrictions which generally limit investments to those securities which fulfill qualitative and quantitative tests as to prudence. It is expected that the acceptability of particular investments will be determined in accordance with standards which are now applied, generally speaking, to life insurance companies in Canada. Only a small part of the assets of a plan will be able to be invested in securities which do not fulfill these tests. And I suppose that this is in a sense, sir, a compromise within limits, that for whatever reason it is often argued by those who have a material interest in a given pension plan, and even by those who are charged with the responsibility of administering and investing on behalf of the plan or fund, that government restrictions in whatever jurisdiction are too restrictive, and that it

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(MR. SCHREYER cont'd) is sometimes argued at a time when the stock market has been in a period of more than two or three years of sustained growth there is a tendency for some persons to decry the restrictions on pension funds with respect to investability in the stock market. But the pendulum swings and when the stockmarket starts to behave as it has in more recent years or months, then those protests quieten down and die away. The compromise that is proposed here, which is a compromise in common with most pension legislation, provides for some minority of investable funds, pension funds to go into other than the more cautious and prudent investment. But that must of necessity remain in the minority.

If a pension plan has investments which do not conform to these requirements procedures will be specified in the regulations, and there will indeed, sir, be some considerable volume or quantity of detailed regulation which will indicate how conformity is to be achieved over a period of years.

It is also important for the rights of employees to be protected if a pension plan is terminated. After the Act is in effect it will be necessary for an employer to inform the Pension Committee in advance of any decision to wind up a plan. It will not be possible to terminate a pension plan retroactively. If a pension plan is to be discontinued the assets cannot be used until the Commission has agreed to the procedure to be used in allocating the assets between the members of the plan. The employer will be required to make all payments which became due prior to the date upon which the plan is terminated.

Each employee who becomes a member of a plan will receive a written explanation. This will be a requirement that there be a written explanation to employees which contain the terms and conditions of the plan and his rights and duties under the plan. Similar information must be provided whenever the plan is amended. Information concerning the financial position of the plan will be provided each year to each employee participating. It could be said, sir, that some pension plans may have much more difficulty than others in complying fully with this kind of legislation. This may be due either to the provisions of the plan, to agreements affecting the plan, or to the way in which the plan has been financed or invested in the past. Where such difficulties can be shown to exist then the Commission exists, indeed one of the main purposes, or reasons for the existence of this Commission will be to exercise good and sound judgment in allowing variations in the requirements of the Act as they apply to that plan for a period of up to five years following the going into force of this Act, if such variation is considered to be in the best interest of the employees.

Most pension plans are controlled by an employer or an association of employers. In such situations it is the duty of the employer to make sure that the plan complies with the legislation. Some plans are controlled by trustees who are not appointed by an employer, or by an association of employers. In such situations the trustees have been given the responsibility for ensuring the plan complies with the legislation. In all situations the employers, or group of employers, are required to make the payments needed to finance the benefits promised under the plan.

I have thus far, Mr. Speaker, made reference to the Pension Commission. This Commission will have responsibility not only of administering the Act, but of ensuring that the objectives of the Act are fulfilled. One of the principal duties of the Commission will be to promote actively the establishment, extension and improvement of pension plans throughout Manitoba, the reciprocity between pension plans, and the further protection of rights under pension plans. I think it can be generally agreed, sir, that quite a bit of work needs to be done in order to bring to an acceptable level the proportion of employees in our province who are participating in pension plans. It is expected that procedures will be devised to make it as easy as possible for new plans to be developed and existing plans improved. And indeed, sir, I don't think it should hurt anyone's feelings to suggest that there is indeed great need for improvement of many, unfortunately many, existing pension plans.

The proposed legislation is similar to legislation developed, as I said, in a number of other provinces. We subscribe to the principle of uniformity in this regard. The establishment of uniform pension standards makes it possible for an employer to have the same pension plan for employees located in various parts of the country.

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(MR. SCHREYER cont'd)

One further argument for uniformity in the context of this legislation is that it should tend to help reduce administrative costs, and surely ought not to contribute to or cause any increase in administrative costs.

We have gone beyond what has been done in a number of provinces in those areas where we felt that it was desirable at this time to do so. Perhaps I could indicate where we are charting new ground, or if not completely new ground at least in the ranks of those few provinces that have enacted legislation.

(a) It is primarily in the sense that this legislation protects the pension rights of all employees who terminate service after completing at least 10 years of service, or 10 years membership in a plan;

(b) also in that it prevents a pension plan from being wound up retroactively;

(c) also in that it permits the Commission, the Pension Commission, the proposed commission I should say, to vary the requirements of the Act if the Commission considers the variation to be in the best interest and practicability of the employees;

(d) requires the distribution of financial information concerning a plan to members of that plan, and that such distribution will be required to be pervasive and systematic.

And finally this legislation presumes to make the extension of reciprocal arrangements between plans a responsibility of the Pension Commission.

Having given this explanation, Mr. Speaker, I would like to advise honourable members opposite that I fully realize a view, which I assume they will have as well, that there is perforce in this kind of legislation a great deal of detail, and accordingly it is therefore proposed to - as indeed the bill is so drawn - having a Part I and a Part II. It is hoped to enact Part I so that the Commission and the Superintendent of Pensions, so that that can become operational with a minimum of delay, so that they can go into the task of the preparation of the painstaking work of detail preparation and regulations, while Part II is held over for reference inter-sessionally to, very likely, the Standing Committee on Statutory Orders and Regulations. So that honourable members on that committee will have adequate opportunity to go in more detail and to question either the newly appointed Superintendent of Pensions with respect to comparability in pension legislation as between different jurisdictions, and various detailed means of providing better protection in the light of a fast changing economy and fast changing world. So Part I is intended for enactment. The operational substance of Part II we propose to refer to inter-sessionally, and to finalize Part II through the complete stages of the Legislature at the ensuing session.

MR. SPEAKER: The Honourable Member for Riel

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I move, seconded by the Member for Roblin, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if you'd now call Bill No. 37.

BILL NO. 37 - DISCLOSURE OF INTEREST

MR. SPEAKER: Bill No. 37. Proposed by the Honourable First Minister. The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I would like to add one or two thoughts with respect to this bill to the wide-ranging discourse and the examination of the legislation that took place in the House yesterday, and I should say at the outset I have to make a couple of disclaimers in approaching the legislation. One disclaimer must be directed towards the First Minister, and I'm sure that to a certain extent I perhaps owe him an apology for an impression that I may have given, I'm sure I did give, at the time that the committee studying the proposed legislation was meeting inter-sessionally. I am sure I'm on the record at those committee meetings as saying that I think this examination of this kind of legislation is valuable and worthwhile and would recommend itself to the majority of members in the Assembly. And so I must say to the First Minister that I was speaking from sincerity at that point, and I assure him that my basic feelings haven't changed, although now with the perspective of some retrospect I would like to take him up on him up on his offer that this concept and this proposed legislation be referred back inter-sessionally for further study.

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(MR. SHERMAN cont'd)

And saying that, sir, I recognize that right off the top of the argument and I am caught in a conflict of interest because I am a member of that particular committee. I would like to continue to be a member of that particular committee because I find this a subject that is engrossing and interesting. And that committee should it meet inter-sessionally naturally qualifies for, naturally qualifies for a certain stipend, a certain committee indemnity, and so as I say I'm caught in a conflict of interest at the moment when I say I would like to see that legislation go back to that committee and that study be reconvened.

Having made that admission along the lines of some of the instances to which the Minister of Mines and Resources alluded yesterday, having made that admission, I think I now am free to say what I want to say about the legislation.

I say I'd like to take it back to committee, I'd like to continue to be on that committee, and if that's a conflict of interest then I admit off the top of my remarks that I'm caught in a conflict of interest.

I think that the legislation in its present form, sir, really offers the taxpayer, the voters, the public of Manitoba, an illusion, and that is why I would like to have the legislation referred for further examination and study by the committee in question.

I think that it represents an honest attempt to accommodate what the First Minister no doubt feels, and what many members of this House feel, is a real public need; that is, need for the public or many members of the public to be reassured in their own minds that there are principles enshrined in legislation and in regulation, as it were; that ensure that their public officials have to adhere to certain standards of behaviour, particularly where financial and property interest is concerned, and that therefore, there is no danger of corruption and no danger of wrongdoing. I acknowledge that the First Minister, that many of his colleagues, that many of my colleagues on this side of the House, start from the premise that such an honest attempt at reassuring legislation should be made and deserves to be made. And I think that is the effort and the attempt that has been made here, and I think that the embryonic form of that effort and attempt took place in the committee meetings to which I've referred. But I don't think we've come out of it with the kind of reassurance, with the kind of legislation that is going to guarantee anything in the way of integrity and honour beyond the guarantee that the public of Manitoba already has - and that is a guarantee that rests on the word and the honour and the good faith, the intangible bond between those men and women who run for public office, and those who work for such men and women, and those who vote for such.

I was interested in the disparities of view and description, the many colorful descriptions that were applied to the legislation, and the procedure producing the legislation yesterday. The Member for Souris-Killarney, my colleague from Souris-Killarney, described it as mincemeat; my colleague from Morris described the comments of the Minister of Consumer and Corporate Affairs as something not too far removed from horsemeat; and somewhere, sir, the truth must lie beyond the extremes expressed in those arguments. I feel though that it can be truthfully said that it's panic legislation of a kind. I think that the Minister of Consumer and Corporate Affairs was right in his reference to Watergate, only in the sense that the reference underscored the fact that we live in a kind of a post Watergate society where political and public morality is concerned in North America. I don't think there is any, any justification or any validity to arguing that anything about Watergate could have been prevented by conflict of interest or disclosure of interest legislation. I think had there been such legislation, the course of events that led to that unfortunate episode in the United States history would have been precisely the same.

I see no connection between that kind of wrongdoing and the kind of legislation that we're envisioning here. I think all that Watergate did for legislators across North America was create a kind of an emergency situation, almost a panic situation on the part of legislatures to try to develop some kind of rule and some kind of framework of operation that could reassure the public that corruption and wrongdoing and irresponsibility in public life must not and shall not and will not occur in their respective jurisdictions. The reaction was natural and normal, but like any kind of reaction that evolves from a crisis, that evolves from a sensational situation, that evolves from a kind of a widely, globally, publicized emergency; it was a reaction that did create the best kind of environment for producing the best possible kind of legislation. I think many of us, not only those who were on the committee, but those who were not on the committee, the remainder of persons in this Legislature,

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(MR. SHERMAN cont'd) and in many political arenas and many political counsels across the land, reacted by saying, let's get to work, let's do something to make sure that we're not going to have hidden corruption; to make sure that we're not going to have the kinds of wrongdoing that can't be identified publicly and therefore quickly exorcised and corrected. So we jumped into the kind of popular mood of the day and we tried to produce some popular and populist legislation in a hurry that would meet that need. And that's why I call it a piece of panic legislation, at least a piece of emergency legislation, that's why I call it post Water-gate legislation.

And that is the only connection between this legislation and the procedure producing it, and the Watergate episode that I can find, search as I will for the kinds of reasoning that the Minister of Consumer and Corporate Affairs introduced into the debate. I think that the remarks of the Minister of Consumer and Corporate Affairs really betray a basic commitment to the political pro, a basic commitment to the concept of the political professional, rather than the political amateur, the private citizen who has gone into public life and public service to represent his peers, to represent private citizens like himself or herself who wish that person to speak for them. I think that this probably betrays a basic difference in philosophic approach to what the business and the science of government and politics is all about.

I don't believe in the political pro, although certainly all of us who are in politics should try to become as skillful at the profession as possible. But I believe in the private citizen type of politics and politician, and I think that in framing legislation that is going to protect us against wrongdoing, is going to protect us against vested interests and is going to protect us against the kinds of things that we cover in studies of this kind. We have to be sure that we protect at the same time, the ambitions of the private citizen to enter the public arena, to offer himself or herself for public service. We have to be careful to protect that precious ingredient in our system and in my concept of government and what it's all about.

So we need much more examination, and much more work on legislation of this kind before we could come up with something that would satisfy me. I must say, sir, that as it stands now, as I look back on the procedure which produced it, to a very large degree the legislation in its present form offends my concept of the parliamentary process, because I think it puts all members of this Chamber in a rather untenable position. We're caught in a mood, we're caught in a climate of the times which insists that disclosure of interests, and that legislation defining the public against conflict of interest is a good thing, ergo, we should be for it - and I think in a hypothetical level, that kind of argument can't be refuted. But if you examine the kind of psychological effect that that has on legislators, I think it's unhealthy, because it really intimidates legislators to say, because that's the public mood, that's the public climate; because this thing basically is good; because there's an ideal here that we really think is, you know, is meritorious, therefore we cannot stand up and fight against it, we cannot vote against it. we cannot be against it. It just wouldn't be right in terms of the climate of the times. That I think is unhealthy legislation, at least that, I think, is an unhealthy starting point from which to approach legislation. That's why I say that it offends my concept of the parliamentary process. I would like to be able to look at it like any piece of legislation objectively, unconcerned about the sort of, the prevailing popular mood of the day, much of which is emotional and not logical. It's only when we can look at legislation in that framework that we get good legislation. in my view, and until we're able to do that, we won't have workable, reasonable, viable disclosure of interest and conflict of interest legislation in this province. I don't want to be intimidated into supporting it, and yet I know that as a free citizen of Manitoba, I want to be assured as much as a private citizen, as a public official, that we have proper protection against this kind of wrongdoing. I think at the present though, sir, that we can be assured, we can be confident, that where there are questions that arise about the morality of public officials, those questions are usually asked and the answers usually come out. And I'm not suggesting that there was any wrongdoing in any of these cases, but there was alleged wrongdoing, there was alleged unhappiness on the part of the public.

I think of the case of the former mayor of Calgary, Mayor Don McKay. Certainly the practice that he was allegedly involved in, exercised people sufficiently to have the subject exposed, aired, scrutinized - and in fact, I think it could be said that Mayor McKay really lost his office and was hounded out of Calgary for that alleged misdemeanour. The same is true in the case of Mayor Hawryluk of Edmonton, although he seems to enjoy a magical number of political lives which enable him to come back and back and back from these things, but it

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(MR. SHERMAN cont'd) . . . never has proven impossible to confront him with accusations on the parts of many public officials and many citizens of wrongdoing and to have those accusations examined and in some cases to have them verified.

I think of the case of the late Maitland Steinkopf in this Legislature, sir - and there was no conflict of interest there, but because there was a suggestion in some areas of a conflict of interest, Mr. Steinkopf took it upon himself, as I am sure any member of this House sitting here today would . . .

A MEMBER: On this side.

MR. SHERMAN: No, any member of this House on all sides, would take it upon himself or herself to go to his constituents and ask them to listen to his story and to vindicate him on the basis of the facts as he related to them. That has happened. It happened in Mr. Steinkopf's case, and he was re-elected. It happened in Mr. Hawryluk's case, and he in fact was found guilty of some misdemeanours and wrongdoings, but has since been re-elected. I suppose that only goes to prove that people are happy to go along with you if you're honest and open with them, and if you finally 'fess up to what. . . at least in some cities of the country. That's a questionable kind of ethic. That's a questionable kind of ethic, but at least the allegations were examined and in many cases, in that specific instance, were proven. And so the public knows. When they go to vote for a person like that, they know what they're voting for, and obviously they get what they want - or they should know.

In the case of Mayor McKay of Calgary, I think that that was something of a personal tragedy. I don't know many details about it, other than that, as I said earlier, I feel that he was hounded out of that city. But be that as it may, the fact is, sir, that these situations do have a way of surfacing, the questions do have a way of being asked and being answered. That is the bond, intangible as it may be, but nonetheless real, the bond of integrity and honour that exists at the present time in this jurisdiction and in this country between persons who run for public office and persons who put them there. And nothing in this legislation is going to reinforce that bond. Nothing in this legislation is going to produce anything but an illusion that such a bond is being reinforced.

So that's why I return to my opening plea to the First Minister, to take him up on his suggestion, that we examine the legislation again intersessionally and see if we can come up with something that is much more real and meaningful in terms of the protection that this legislation purports to offer - and at the same time protects that very important ingredient of privacy for the person running for public office sufficient to maintain his or her interest in offering for public life - privacy sufficient to insure that that candidate does not decide that he or she cannot offer for public life because of the obstacles placed in his way.

Sir, the legislation in front of us, I suggest, incorporates probably the worst of reasoning for any legislation. It is legislation that is designed to plug a hole in a wall of public opinion and to try to satisfy an immediate emergency popular need. I don't think that the public is well served by that legislation. I'm sure that those who would offer for public life are not well served by it. And I have no hesitation in suggesting to the First Minister that, although his step in producing this kind of proposed legislation for the committee was a forward step, the greater step that he can take is to follow through on the suggestion he made the other day in the House; that perhaps that's where the proposed legislation should continue for some time yet, in that committee for intersessional study.

MR. SPEAKER: The Honourable Member for Logan.

MR. WILLIAM JENKINS (Logan): Thank you, Mr. Speaker. I think the Honourable Member for Souris-Killarney yesterday threw out a challenge, that members of the back bench on the government side have not said anything about this legislation; and I wish to take him up on that challenge, I wish to make a few remarks on the proposed piece of legislation that is before the House at this time for consideration.

First and foremost let me say, Mr. Speaker, I'm not that terribly excited about this piece of legislation one way or the other, because I don't think that we can legislate morality or honesty - because if we were able to do that, our jails would be empty today and our places of penal incarceration would not be in need.

There are some good points perhaps in this bill, and there are some points that I certainly do not agree with myself. I do have to agree with what the Honourable Member for Fort Garry said, that I think that there are three or four jurisdictions in Canada that have conflict of interest and disclosure of interest legislation; and some that, in my opinion, is much worse

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(MR. JENKINS cont'd)than this bill that we have, proposed bill that we have before us here today.

I think, as he said correctly, this is sort of a hangover or something; the public hangover - or maybe it's public representatives' hangover of Watergate, and we all seem to want to come forward to declare ourselves as being very clean. And I have no doubt whatsoever, that I think every member in this House, I trust him and honour him as an honourable gentleman and member of this House - and I certainly feel that the public trust that the electorate of this province have shown in electing members to this House has not been misplaced.

You know, it's very interesting, Mr. Speaker, that when we were at the Commonwealth Parliamentary Association, the CPA here of Canada, in August of last year, that this was one of the topics that came up for discussion on the agenda. And I would just like to quote, I think, from one of the gentlemen who spoke, he was the former Deputy Speaker of the British House of Commons in the Parliament of 1964 of Prime Minister Harold Wilson, the Right Honourable Sidney Irving. And if I could quote from the speech that he made at that time, sir, I would just like to . . . Towards the end of his speech, he said: "I would like to conclude with one or two comments. I think we ought, nevertheless, despite all the difficulties I have mentioned, never lose sight of the fact that the disclosures we are talking about are required only when members' interests are in conflict with their public duty and we shouldn't be party to providing a field day for journalists, commentators or any other group of people who may wish to pry into the private lives of members of Parliament" - and in this case, members of the Legislature - "that part of their lives to which they are entitled to regard and call private."

The second thing he went on to say, Mr. Speaker, was: "The second thing I'd like to say, Mr. Deputy Speaker, is this. No method of disclosure, no method of registration will ensure that we won't unhappily, occasionally, have a crook in our Assemblies in one part of the world or another. We can't protect ourselves completely against the activities of such a person. So we have in the ultimate to rely upon the fact that we have done our best, and that we are nevertheless all honourable members, and that there must be an element of trust." And I think that was well put.

The legislation that we have here - and I'm glad that the Honourable First Minister has said that he has no opposition to this going back to the Standing Committee of the House, or whatever committee it was - I wasn't a member of that committee. I can assure the Honourable Member for Souris-Killarney that I took no part in the deliberations of that. I know I saw the original draft, and this is much improved over what I saw at that time. I think that there are certain parts of the bill . . . I know as far as my own case - my wife, I think that she is a person, she has rights of privacy of certain things that she might want to keep to herself, and I'm sure she'll tell me where to go if I try to ask her what her assets or certain things are. I think that is something that we should look at.

I feel a bit of doubt and fear on other aspects of the legislation, and there are allegations or accusations that could be made against members of this House; and maybe by members of this House against another member, which I think would be tragic, but they could be made by members of the public outside this House. What happens to that accusation? When does it become an accusation and when does it remain an allegation? You know, if you look at the dictionary, an allegation is different than an accusation - is different - you're alleging certain things, but you don't have facts of proof. I mean, if you're going to accuse somebody, then you should have absolute proof when you make that sort of an accusation - don't go around making allegations.

I think also that there has to be some very better method, you know, set up for the protection of these things. I know that in Newfoundland they make them available, I believe. If I might just digress here a moment, Mr. Speaker. If I could just find the section where the Speaker of the Newfoundland Legislature was saying that these things are available, I think, to the public, something like on a 24-hour basis - or something to that effect. I am not doubting your veracity, Mr. Speaker, that these documents will be in your keep, but I think - as one member pointed out here today - that if a designate of the First Minister or the Leader of the Opposition goes down there, that you, sir, would not allow him to photostat these things or take them out of that office. And perhaps there should be a very limited access to those sort of disclosures. Not that I actually, myself, in my own personal case fears disclosure, but I think that - the public showed a certain amount of trust in me to elect me here to this Legislature for my second term of office; they also saw fit to elect me for, I forget,

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(MR. JENKINS cont'd) was it three or four terms prior to that as a member of the Winnipeg School Board - and it seems a bit ludicrous that the day that I become elected, all of a sudden the public wants to know what I'm worth or who I owe money to, you know.

I think that this piece of legislation is perhaps something that we can refine - and when it's all through, I don't hold out great high hopes for it, I can assure you. If a person is determined to be a crook, all the legislation that we can pass in this Legislature, we can pile them higher than the Golden Boy on the dome and that's not going to stop him. No way. I think that we have to come back to what Sidney Irving says, that we have to have public trust amongst ourselves - and in our parliamentary system, which I am very glad to be a member of. If a member digresses and is guilty of something, life would become such a hell in this place that he would have to resign. And we wouldn't need to have boards or commissions and what-not, the members of this Assembly would see to it that that person would have to leave.

Therefore, I say that there are certain parts of the legislation, I think that - you know, they're not bad. Perhaps some parts of the world, they may need it. I don't think that in the parliamentary system that we have, that we . . . It's almost like what the Honourable Member for Fort Garry said, you're damned if you do and you're damned if you don't. You know, if you fight this legislation, it almost makes you say, like you're trying to hide something. I can assure you that's not it. And I really would like to see this bill go back to, you know, an intersessional committee. Let's really do a good job on it. I think that the public have a right to know certain things, and maybe that's well and good, but I don't think that we should make that to be bandied around and to be used, you know, in a detrimental way to elected members of this Legislative Assembly. I trust the honourable members of this Assembly - I've found them all to be honourable gentlemen and ladies - the only one, a session that we had, we had one lady here - I found them all to be honourable people, and I have been delighted to serve in this House with them. I would hope that when the First Minister closes debate on this section of the debate here that he will refer to an intersessional committee. Thank you very much.

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thanks, Mr. Speaker. I'd like to make a few remarks in connection with this bill. I think it's very good that we've got members from the back bench and the government side getting up and speaking, because I was thinking earlier that it looked to be coming from this side, the only opposition to this bill. It's unfortunate that public opinion at this time, generally speaking, is that there's an awful lot of politicians that are crooks and that they're out there to line their own pockets. According to the news-casts that we hear, from things that are happening down in Montreal and Quebec and across the States - I guess the news media and the paper play it up extra, but it does seem as if there has been a certain amount of corruption going on, and that the public have lost confidence. I think really this is very unfortunate, because, in my experience in here, I certainly don't question any member. But I think it's very honourable that the people on this side of the House who are in the Opposition and who are fulfilling their duties perfectly in the form of an Opposition, to be exposing what they think is wrong with this bill, because regardless of what you put in it, you can't legislate against people trying to abuse it or people becoming crooks.

I'm in full agreement with what different members have said. Really there's only been one member that has come out strong for it. But I'm one of these that feel if public confidence has been lost in us, that they think that we are crooks, that if this would help it any, that I'm prepared to go along with it. Because I really think that it is very unfortunate that the public have lost faith in the politicians. I just wonder how we can restore it. Personally I would go along with anything that would help to expose a conflict of interest. Personally I can't see that it could hurt anybody in the opposition because even if they wanted to, I don't know how they can do anything because they aren't in control of what the government's doing, or they don't know what it's doing. So I think this is another point, where I think it's very admirable of the people on this side to speak up and speak their minds, because there must be many people thinking that the reason they're opposing it is maybe because they hope they're going to be in power and would like to, you know, have that privilege or something some time.

So, much has been said about it. Personally all I say is that if they want to go ahead

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(MR. HENDERSON cont'd)with it, if they feel, the majority of the people in this House feel that it will help to restore the people's confidence in politicians, I'm willing to go along with it too. However, I would hate to see anything rushed into where there's foolish clauses put in there which are very unnecessary and could damage people's character, or their reputation, or anything like that. So if it's referred to study in between sessions it might be a very good thing. However, whatever the group in here decide, I am very willing to go along with it.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. I'd also like to add a few words to what has already been said, and just reiterate once again I think that it is unfortunate that we as politicians are required to possibly use this type of window dressing to make us more acceptable to the general public.

This Sunday while watching TV I was watching an interview with the former Prime Minister John Diefenbaker, and he was being interviewed by several reporters, and through the different questions that we were being asked one of the members of the news media asked him what he thought about the recent uses of government helicopters and government airplanes, and the building of swimming pools by the Prime Minister and the Prime Minister's office, and the reporter asked the former Prime Minister whether there should be certain regulations implemented which would put restraint on the Prime Minister as far as the usage of these different public services, or in the specific instance to the pool, the private donations that were involved in this. And the former Prime Minister pointed out very nicely that our positions as politicians, or whether it be members of the Treasury Benches, or the Premier of the Province, are not to be - and he used the words "dipping pools" - to draw from and get personal gain from, and he thought it would be very very difficult if somebody wanted to abuse the system and did not have the moral obligations and the conscience and respect with regard to that office, that of course these abuses could take place, and there was very little that we as either politicians or people could do to try and regulate that. I think that applies very very much to this bill too. I think unless the abuses would be very blatant - and that of course can occur right now - I don't think that this legislation would change any of that. As mentioned by previous speakers, if somebody is bent on going ahead and taking advantage of his position that the people have entrusted to him, he will do so in spite of this bit of window dressing.

The other area of concern that I have at present is the effect this will have on municipal people. I realize that the bill spells out very clearly that the municipalities may, and then here again, they may by by-law adopt this particular bill. But I would also point out that most of the municipalities - and I couldn't see any of them not going into the particular workings of the bill, because all you have to do is have one person that's seeking office start just making a little bit of rumblings about this and that and the other thing, and saying that he's for conflict of interest legislation, and I'm sure the council or the schoolboard, as such, could possibly be put in a very embarrassing situation and be forced into it, if not this year then next year.

We've also noticed that the problems of the rural municipalities, and the Minister of Municipal Affairs I'm sure has had many representations made to him with regard to this matter, and that is, in the smaller areas where for instance a council member is a businessman in a community, has a certain service industry in the community, it might be the only one in that specific locale, under the old Act before the changes were made he wasn't allowed to have any dealings with that municipality at all, and if he did, he was of course in conflict of interest again. Changes have been made in the Municipal Act which now allow by tender and certain arrangements, to allow this person to do a service for the particular town council, or the town that he is also an alderman or a councillor in. These are different changes I think that have come about and tried to spell out the conflict of interest problem that we are trying to grapple here with right now.

I would have no difficulty in filing with this bill. As mentioned by other members, I would like to see that the files are entrusted to one person, that the information on these wouldn't be bandied around by just anybody on the street, and I think that has been sort of a general consensus that has been portrayed by members on this side, and I think by the previous speaker here.

I wouldn't have any problems filing, well my wife's assets. When I decided to run she was one that helped me make the decision, and I would say that when filing this particular

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(MR. BANMAN cont'd)thing, as mentioned by the Member for Morris, I think she was one of the biggest assets when I ran. She campaigned real hard for me, and I think she's been an asset in the last three years that I've been in this House. The understanding that we have is that whatever we own is 50-50, and I don't think that she would have any objections, because she was involved in the decision when I did get elected, to disclose what her assets are or what my assets are. So maybe in that respect I differ from . . . I might be kind of old fashioned in that respect, but I wouldn't have any problems there.

But once again Mr. Speaker, I would like to see that this bill be referred to the committee and, as mentioned, I don't have any difficulty going along with it. I would however, like to see that it is filed with one person who is in charge of those files, and if an accusation was made against that member that that file could be pulled and then checked to see if there was, in fact, a conflict of interest at that particular time. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I wish to make just a few brief comments on this bill and I would like to say that I would have no difficulty supporting a conflict of interest legislation. But I am very much concerned that with this bill in its present form. In fact I believe it would cause us much more difficulties and much more problems than any good would come out of it. I will try and point these out, Mr. Speaker.

It appears to me that the architect of this bill placed all the emphasis on the disclosure of assets and very little, very little is said about what is a conflict of interest, and what constitutes a conflict of interest, and how are we supposed to conduct ourselves in respect of conflict of interest. Very little or nothing. But everything is based on disclosure of personal assets and I see some very serious problems and dangers, Mr. Speaker. So I again would indicate - I believe the Member for Portage la Prairie indicated that bill should go back to committee during the summer session - I think it should be redrafted and work on it again. I think that we need some guidelines to see what is the conflict of interest.

The other point that really also concerns me that one area in the bill, disclosure of wife's assets and all your family's assets, and in my opinion, in my opinion, you know, some wives may tell us it's none of our business what their assets are, and it would be pretty difficult, and I really believe this and very sincerely. Today we have legislation before the Law Reform Committee in respect to family law, and many other legislations, to deal with this matter of family law, and here we're putting in this bill to disclose what your wife's holdings and interest are, and I say there may be instances where they'll not be prepared to tell us. Again I don't want to be taken wrong, I say I am for the principle of the bill, but not in its present form.

Again what is the object of this bill? Is the object of this bill or disclosure of interest legislation, is it to disqualify a person? Or is it to have an open record so that the public may know, so that the public may know that an elected representative is not putting self-interest ahead of his constituents? What is the purpose? Again I think this bill falls much short.

I'm very much concerned, Mr. Speaker, with one of the principles in the bill, very much concerned where it said that the disclosure of assets . . . In my opinion, it should be registered with the Speaker of the House, and the only person that has access to that is the Leader of the Opposition at the present time, the Premier, and the Speaker of the House. Well, Mr. Speaker, are we not all elected for this House, are not 57 members elected to the House? If somebody's going to have access to information that I disclose, should not I have access to somebody else's information? And I can't even believe that the Premier would allow this bill to come in this form to hear . . . saying that there's only a few select people. Unless he hasn't read it, and in my opinion I would like to see them if we're going to disclose, and we're going to have a disclosure of assets, I think that the bill should be filed maybe with somebody else, maybe with the Chief Justice, and anybody seeking information, - or the Clerk of the House - anybody seeking information should register and the person that the information is sought on should be informed that such and such an individual is seeking information on the member for so and so. I think I should be informed of that information. We're talking about credit records, legislation, and everything else, or when you're seeking some records on any individual, those people are informed, and in here on disclosure of assets, we don't know who's going to be seeking that information, we don't know and I think that individuals

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(MR. PATRICK cont'd) should be informed who's seeking information on whom. And there's nothing in this and I see that . . . I can't believe it, that a person may have access providing a record is kept, you know, and the only . . . At the present time, I am disqualified of checking on anybody else's disclosure, but everybody, or in most ways that the recognized parties are entitled to that information, say, if I disclose my assets. So I think it's completely wrong in this legislation.

I believe that legislation can be subject to many many abuses, and that what happens if a charge is made immediately prior to a general election, three weeks or two weeks before? And there may be no recourse to that person, no recourse at all, and somebody's reputation can be seriously damaged. So I say, if this legislation passes, Mr. Speaker, I think it should be a mandatory condition as well for the cities, not only for this Legislature, because that's where the action is. You know, that's where the land development takes place. That's where the zoning takes place, and I believe that's where most of your action is, not in here. You know, I believe somebody said on this side of the House the people that really are involved with any action is the Cabinet and the Deputy Ministers, and probably directors and many of the backbenchers would have very little influence or not. And to say that it should not apply to the cities, well, Mr. Speaker, that's where the whole issue is, in my opinion, and as far as the cities where land rezoning takes place.

It does not deal with the situation involving the senior civil servants. If they are found guilty of making misleading statements, how does the Act deal with say, senior civil servants or Deputy Ministers? You know, there's nothing, nothing in this bill or says in here, so I ask again the Premier, you know, what happens? Is there any disciplinary action taken, or is the Deputy Minister, or any other senior officials, are they immediately resigned, or what happens? There again nothing is spelled out in this bill. So to me, Mr. Speaker, the offence of not declaring assets in my opinion is far less grey than perhaps declaring assets, than of abusing the position of authority, and you know the people that hold the positions of authority are the Cabinet Ministers and the government.

So really, I believe that there's a review needed as far as this bill is concerned. Many many questions have not been answered, and again I want to point out the principle may be fine, and we can all support the principle as far as what is a conflict of interest, and how we should have some guidelines. I think it could be beneficial to some respect, and if this is the demand of the public then maybe the public should know. But I think it really is open to just too much abuse, too much abuse.

The other position is: it says that the member may participate in any debate but cannot vote for the measure because of self-interest. Well, what does it really mean, Mr. Speaker? There's two members in this House that are on a Board of Directors for two insurance companies, and myself I have a conflict of interest. I'm licensed to sell insurance for the Manitoba Public Insurance Corporation, and I know that I haven't taken an active part in the debates as far as the insurance was concerned. In fact, I don't believe I voted on the - I did vote initially when the original bill was debated three years ago, or four years ago - but I haven't voted on any measure. But then again, I see, even if I did participate, or voted, I can't see where I'm getting self-interest unless I was involved in some other hearing that I have gained something personally, then there may be a conflict of interest. Or to have probably somebody on this side, or the Member for St. Johns as a lawyer who collects a fee for Manitoba Housing and Renewal Corporation; is that a conflict of interest and should he be disqualified? I think it's much better that we be open and let the people know and they can decide if there was a conflict of interest.

So, Mr. Speaker, I see many ambiguities and I see something wrong, really, the way the bill is. Again I think that the political process can be restored, can be restored in the public eye, and there's no reason why it shouldn't if we had a proper bill, a proper conflict of interest legislation, some guidelines on what constitutes a conflict of interest. I know this has been done in some other provinces, and I'm sure we've had difficulties in other provinces, for instance, somebody mentioned two Mayors involved. We had some similar situation in the Province of Quebec. We had a similar situation in the Province of Ontario, where two or three Ministers either resigned from their portfolios, not from the House, because they happened to own land. Perhaps they owned that land many years ago before they got involved in politics and became Cabinet Ministers. If there would have been some maybe

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(MR. PATRICK cont'd) . . . guidelines, if there would have been some disclosure in open, perhaps they wouldn't have had to resign. So I think that we can look on a positive side, and to have proper conflict of interest legislation, I think, would be good. I think that this is one way we can restore political confidence in the public eye. But again, in my opinion, this bill is not a conflict of interest legislation, this bill to me is a disclosure of assets bill, and I don't think it would do the kind of job that is necessary to be done. I hope that the Minister, the First Minister, will let it go back to a committee for at least some of the corrections and some improvements in the bill, because if it's left the way it is, I think we can create more problems than good can come out of it.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I'd like to add a few comments to this. I think that as of now, everything we say is going to sound like a broken record, but in any event, I feel I should have some statements on the record. I do feel that this bill is not really a conflict of interest bill at all, it's strictly a disclosure of assets. I don't feel that any of us basically on this side have anything that we are particularly trying to hide. We have all participated in public life prior to coming into the Legislature. In my own particular case, I've been involved in developing an Auction Mart and several other things in our community, and consequently I think that I would have a far greater opportunity than for a conflict of interest possibly than I would of sitting in the back row of the opposition. Because I do feel that any influence that we might have on any deals that might be going on in government would be pretty far fetched and pretty well out of the realm of reality.

But I do feel also, that if we are going to file this statement of assets, disclosure of assets, that we would want it to have some scrutiny or some secrecy to it. I've no hang-up at all with filing it, but I certainly would want to file it with a responsible person, possibly the Premier of the Province, the Chief Justice, or the Ombudsman, or something along this line - because since this session has started and we became involved in the land use committee, there was a list passed out that said the people that were leasing land from the government, and this has been thrown in my face several times. I do rent 160 acres of land, I have for many years - leased rather - this is Class 4 land, not prime agricultural land. But it has been printed in the paper several times - it ranges anywhere from 160 acres to 2,770, that I am supposedly leasing from the Crown - and consequently I feel that this is a very irresponsible way of doing things and I would certainly want to have a little bit of protection along this line.

I don't feel that anyone should be able to come in off the street - this is not in the bill, but the terms and conditions are there - and I think it was brought out this morning by the Member from Portage la Prairie, that someone could come in with a knowledge of shorthand, they could list the assets of everyone, they could take them out, they could even possibly sell them on the street if they so desired. And this could definitely have quite a bearing on a business transaction that might be taking place. Some of us that are involved in the free enterprise system at times do get stretched a little thin, we might be bidding on a piece of land that has certainly nothing to do with the Legislature or anywhere else, and someone might just possibly be able to come in and get a statement of your assets and know pretty well what your position was financially.

We do feel that one of the reasons that we are in this Legislature is because we have at this time public trust - and as was brought out also by the Member for St. James - we do take an oath of office when we come in, and I think the public interest is pretty well protected as far as we're concerned. I don't think there's anyone basically in this House that would go against the public trust. As I said earlier in my remarks, I feel the treasury bench basically are the only people that have an opportunity in land transaction, knowing what deals are taking place, what property may be bought, etc. So I don't think that we have basically on this side any hangups. We do want protection, at least some protection to the degree that we don't want everyone knowing our business. I do hope that the First Minister sees fit to have this go to an intersessional committee, and if this is something the public wants and we feel that it is going to restore some public trust in politicians, I certainly will have no hangup in supporting the bill. I would hope again that when the First Minister does close debate on this bill that it will go to intersessional and possibly we can take some of the kinks out of it and make it into a bill that will be acceptable to all parts of the House. Thank you.

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MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a few comments I'd like to add to those of the other members of the House. First of all, I went through the transcripts of the committee meetings that were held, and I can see how that committee was really hung up on even what kind of a vehicle they were looking for, or what was the intent of this legislation, or why is it on our desks today. And in checking those transcripts out, I see no evidence that that committee come up with any solutions to any of these problems that we're dealing with in debate. They certainly had meetings, and they discussed the various vehicles that's been used across this country and around the world for disclosure and for getting information from those that offer themselves to public life - so I must ask the First Minister when he does reply, where is all the pressures coming from for this type of legislation, and especially this late in the session? I suspect that the Minister of Consumer Affairs has got a drawer full of information in his office - listening to his comments yesterday, he must be loaded with protests from people from all over this province for the need for this kind of legislation.--(Interjection)--Oh, the Member for Fort Garry. But I suspect that the Minister of Consumer Affairs has a lot of stuff in his drawer, and I wish he would reveal it to us and help us to resolve this bill.

Mr. Speaker, I think that the comments of most of the members are fair and honest as we deal with this legislation. We're trying to legislate wrongdoing of citizens who have been elected to public life, and here we have it before us today. Historically in this province, that has been handled by the courts. The courts of our province, over our long history, have always been able to deal with people that done wrong in public life. So, therefore, that includes civil servants, and those that have broke the law or violated the laws or the statutes of this province have been penalized in one form or another. So--(Interjection)--Right. But anyway, if we're going to take that vehicle away from the courts of this province and put in the hands of us in the Legislature here, then I say we've got to be especially careful, because our courts have historically given us a good form of justice in this province and they've handled this type of matters of people in public life doing wrong. It's been well handled over the years. I look back on the history of my constituency, and I can't find anybody in public life during the long history of Roblin constituency that basically did anything wrong in public life. If they did, they were penalized by the courts of the day, and the democratic process went on.

And I daresay that's the history of most areas of this province. In my days in the Legislature here, I can remember, the former Attorney-General got mixed up in a pizza thing, and he was penalized - he's not around here anymore - by his people. I can't recall of any other incidents - maybe the one that was raised by the member for Portage, of a civil servant in the CFI Mr. Grose, maybe he was out of order, and he's no longer an employee. So there are vehicles where people - there's no great haste for this law.

MR. PAULLEY: Mr. Speaker, on behalf of the former Attorney-General, I raise a question to my honourable friend.

MR. McKENZIE: I want to finish.

MR. DEPUTY SPEAKER: The Minister of Labour.

MR. PAULLEY: Mr. Speaker, in my opinion, a serious accusation has been directed toward a former member, the inference of my honourable friend from Roblin that the previous Attorney-General is not a member of the House because he had something to do with a pizza pie. Of course the Attorney-General cannot defend himself, he's not in the House, but the inference of the Member for Roblin is, that the reason that Mr. Mackling is not here is because of an action that he was part of, and I resent that.

MR. DEPUTY SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, in reply to the Honourable Labour Minister, it was raised in the halls of this chamber that there was something with the former Attorney-General and a pizza place. It was raised, and it was discussed--(Interjection)--Oh well then, only time will tell.

But anyway, Mr. Speaker, in looking at this legislation before us - and with legal people in the province such as we have, the Minister of Mines and the Leader of our Party, this bill, you could drive a truck through it in its present form. It's far, far from being able to handle the subject matter that is before us at this time. I think that there's tremendous amount of information that's got to be put into the legislation more so than there is to date - definitions - as the Member for Assiniboia rose with, what is a definition of a conflict of interest? It isn't

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(MR. McKENZIE cont'd) even mentioned in the definition. The matter of - which I read in the transcripts here - of the Member for Swan River, who was in a partnership in a newspaper in Swan River one time, and if an election come up, would he have to divulge - or if he was an elected person - divulge the assets of his partner, who doesn't want to get in political life at all. There's nothing to cover those types of cases, Mr. Speaker. And the exceptions and debates on questions that - I find it very interesting to hear, you can debate a subject matter, but if you've got a vested interest, you can't vote. Why should you be able to debate it at all? Because orators such as we have of the Mines Minister here, who can change people around with his tremendous oratory, he could influence me almost any given day on a subject matter. Would it be fair to let him have the floor, Mr. Speaker? He wouldn't need a vote because he's got me convinced as soon as he sits down.

So therefore--(Interjection)--Well, I like to give credit where credit is due, and I think the Mines Minister is a terrific orator, and I enjoy listening to him.

But anyway - all those things - the other sections of the Act here, that incorporated members of the Assembly incorporate themselves under the laws of this province. And then, how are you going to get at us with this type of legislation when we're protected by the incorporated laws of our province.

And the section where allegations - that's not good enough legislation - when we're taking the lives of people who offered themselves for public life in our hands and trying to reprimand them or penalize them, maybe destroy them on an allegation - I just can't support that kind of legislation, it's got to be better or different terminology or a different explanation than that. And the committees, who's going to appoint the committees that's going to examine these people if we feel that there is an allegation? It's going to be taking political sides, which we usually do in this Chamber, and that isn't a fair judgment at all times. Sometimes it is - and there's sometimes we all go in our political camps and stand up and vote politically. So I don't see how you can possibly take - people who give themselves and their time and their talents and their skills to public life - and expect us as politicians to come back in and judge on others. Maybe you disagree with us politically and yet we have to stand up and make the decision; or a Cabinet Minister who has taken an oath of office, he's going to have to make a decision of his senior civil servants. When we do study the bill further, let's go back and see if the courts can't handle it; if these problems are so growing in this province and have got to the stage now where it's a real serious matter, then maybe we should look at the other acts. But I find it very very difficult to support this legislation that's before me at this present time. I think the First Minister is wise in referring it back to the committee, I think it deserves a tremendous amount of study before it's ready to be legislated in this province.

MR. DEPUTY SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Well, Mr. Speaker, I beg to move, seconded by the Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: Bill No. 46, Mr. Speaker.

BILL NO. 46 - THE GAS STORAGE AND ALLOCATION ACT

MR. DEPUTY SPEAKER: Proposed motion of the Honourable Minister of Industry and Commerce. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. On this particular bill, perhaps the first and most important statement one can make about it is that it is taking at least two steps in the right direction, but that our opinion is that two steps probably at this time, while desperately needed and essential, aren't enough.

Let me first, Mr. Speaker, comment on the two major provisions in the bill. And let me reiterate that, in fact, we think that the Minister in bringing in this bill, has recognized a particular need in terms of responding to the shortage of natural gas in the province; and that we feel that certainly the provision of gas storage facilities in areas will provide some solution to that problem, particularly in terms of eliminating the cyclical demand problem for natural gas; and that we certainly agree with the kinds of provisions that are put forward in terms of developing a permit system and having the Conservation Board provide for hearings on the development of gas caverns or storage areas.

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(MR. AXWORTHY cont'd)

There is one particular aspect of that though, Mr. Speaker, which I think is missing, and that is, that there doesn't seem to be any requirement along the way, either in the development of the permit; or, after the permit has been granted, for undertaking proper environmental assessment of the storage area itself. There have been a number of examples, and I believe they're mainly American, although we have the small example here of underground storage tanks - but where they have used storage caverns in the United States, where there has been at times seepage from them, where they have affected the ecological balance of some areas. It would seem to me, Mr. Speaker, when I looked at the actual requirements under the Conservation Board powers and functions, that they themselves didn't require such assessments to be made. And it would seem to me, Mr. Speaker, that perhaps the Minister could contemplate bringing forward an amendment in Law Amendments Committee some further protection to insure that when such storage areas are developed; that they would provide for the proper assessment through the Clean Environment Commission, for example, or through whichever board might be most suitable, to insure that there wouldn't be any adverse effects in the areas in which the storage facilities are developed. I'm certainly prepared, Mr. Speaker, if the Minister can show that under the powers of the present legislation, that such environmental protection would be afforded, but in reading the legislation and in reading the mines' bill where the Conservation Board's powers are set forward, I couldn't see where in fact it's statutorily regarded or required that such a kind of protection be developed. So that in the first step is something that we think is important, if there's going to be major storage caverns then we think that they should be environmentally tested and assessed on a periodic basis to make sure that there is no problems ensuing.

Mr. Speaker, the second part of the bill in giving the Public Utilities Board the power of allocating distribution of natural gas is a more difficult proposition to deal with. I think it's fair to say that certainly because of the change in the supply and cost of energy sources in this country that we've experienced over the past two years, that it has compelled governments to all of a sudden undertake a major revision of their energy policies and their mechanisms that they use to try to ensure a proper supply at minimum cost to consumers, and it is certainly apparent that many of the things that affect Manitoba we can't control through our own legislative powers, that they really reside outside the jurisdiction of this province. I pay some tribute and recognition to the efforts made by this First Minister to make the representations of this government known to the National Energy Board and to other authorities. I have no quarrel whatsoever with the kind of efforts that this Minister in particular has undertaken in the area of ensuring that the proper considerations are made in regard to the requirements of Manitoba, certainly in the natural gas and in the fossil fuel areas.

I think, Mr. Speaker, that this step of giving the public Utility Boards the right of allocation of distribution is a proper follow-up to that, that from every resource that I can contact there is no question that we are going to have, and continue to have, major shortages of natural gas, and that the first priority for users in this stage should be residential purposes. I think members of the House would know that one of the pre-occupations I have, and I would express myself, is the serious problems in the area of housing, and I think one of the contributing reasons for that has been an uncertainty over the supply of natural gas which is the major source of heating fuel for most residential areas in the city. And that uncertainty created by the indetermination of where the supplies are coming from, I would hope would be rectified by this bill. I would hope that it would at least indicate that there is a distinct priority being set forward, and that the government is putting its own very clear articulation of that priority on the line, and that is, giving the power to make proper allocations and distributions.

But at the same time, Mr. Speaker, I think it is only our right to raise some questions about what the impact of this kind of mechanism will be. I think that one of the first things that it does is that while it says very clearly that the priority shall be for residential use, it doesn't place any discipline on that residential use. In other words we're now saying, okay we realize that you, and the house builders and the apartment owners are going to have to take priority, and we're going to try to see that if there's some way of cutting up the proper resources, you're going to get first call, and then commercial after, and then industrial following that. That in a sense though doesn't put any imperative, any discipline upon the residential users to begin to conserve their own uses. And if there's anything that is very very clear, that is that we are

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(MR. AXWORTHY cont'd) still extremely wasteful when it comes to energy; that we still in many cases, allow and permit, and sometimes even encourage wasteful uses of energy in residential areas. And there's nothing within this particular bill that says that in order to get your priority, what do we get in return? It would seem to me that we should be asking for a trade-off. That we should be asking for an exchange of saying that if you're going to be assured of your priorities in terms of getting gas for heating purposes in houses and apartments, then we want to ensure that the use of that gas will not be in the same kind of, in many cases, wasteful way that it's been undertaken now.

Now I think, Mr. Speaker, that the recent statement I just read today issued by the Housing Renewal and Development Association of Manitoba indicates that they're prepared to work out arrangements on that. I think that they would be certainly prepared to initiate steps for changing standards on insulation in homes and apartments. And that that is something that we have provided to some degree, oh I suppose rhetorical evocations of, let us not burn more gas, though we haven't really applied a specific program as to how to do it. There really isn't any kind of action program to say that we are now going to be taking a look at all new construction and insisting on different insulation standards and different building standards to ensure that we're not at least wasting very precious supplies of natural gas. And yet it would seem to me that that kind of - if government is going to intervene and step in which it's now doing - it would seem to me it should be stepping in in a more comprehensive way. Rather than simply setting priorities, it should also be setting priorities within those priorities, and the priority in a sense almost goes to those who can demonstrate proper use of the gas itself and the housing itself. Because if you don't do that, Mr. Speaker, we are simply again saying, "Well, it's back to the good old days and we're going to give you first call on it, but what you use is your business," and we should be setting some very strict standards as to what we think should be used in residential purposes. There has been talk, and some light has been made previously in this House about the Federal Government's attempt at advertising, and I agree with them, I think they were really pretty minimal efforts to demonstrate how we should all get in the bathtub together, and how we should turn out the lights, and how we should turn down the thermostat when we go to bed and cuddle up, and that we should, you know, have double beds rather than single beds, and there was all kinds of things that had very major social implications. But the point of the matter is that that kind of suggestive remedy I don't think is nearly adequate. I think there's much harder steps that can be taken, much more direct steps to ensure that the conservation procedures are more clearly recognized and followed in residential uses.

Mr. Speaker, I think that that is the kind of problem that we see in the introduction of the legislation - not that we're against it - but we are afraid that having taken these steps we're going to stop. If we're going to stop there then the almost more critical and more necessary steps won't be followed through. It goes back, Mr. Speaker, I think to a point that we have raised in this House several times this session, and in previous sessions, and that is the fact that we still don't have to my mind some energy policy for the Province of Manitoba, nor the proper means of bringing about an energy policy, that we still tend to tackle the problem by bits and pieces, by a series of ad hoc measures, by a series of piecemeal programs, in that we don't tie allocation and distribution to priorities, or to conservation, or even to supply policy; and that one of the important demands that we've been making over the past several months is the whole problem of the relationship between demand and supply.

If I might, Mr. Speaker, I would like to recall for a minute a debate that we had in this House about three or four weeks previous when we were debating the Capital Supply Estimates of the First Minister on energy programs, investment programs on energy, because I think it bears directly on this bill. We suggested that the energy policies on the supply side being followed by the government were not nearly enough, that they had totally relied, or were putting their major reliance upon hydro electric energy, and then subsequent to that we're going into nuclear energy. We're simply trying to point out that there were other kinds of alternatives that called for other kinds of investigations and research and development, pilot projects, and even to begin developing some capital works. Frankly, Mr. Speaker, the First Minister scorned us, he said, "Oh my goodness, what nonsense, what silliness, isn't that awful." And he said, "Why would he bother to do things like this." He challenged in effect the technical knowledge and the kind of investigation that had been done before. So, you know, pending from time to time, the First Minister certainly always sounds like he knows what he's talking about, even if he doesn't.

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(MR. AXWORTHY cont'd)

In this case, Mr. Speaker, quite often he doesn't. Because he absolutely turned away any suggestion that there were alternative supplies that may in fact save this province and may in fact provide a better energy source, and may in fact provide for a more substantial and certain supply of energy. And this of course was dismissed out of hand as being somehow, I think he said, "academic nonsense." As a guy who was a former academic I suppose he should know what he was talking about. But I don't think academic nonsense is always that way. Because sometimes it's being used, that one of the advantages of that particular profession is that you presumably try to apply rational thought to things from time to time, and look for alternatives and not simply get tied into inertia, or get tied into what's gone on before.

So, Mr. Speaker, in response to that and when this bill came forward I said, "Well, in order to make this kind of thing work what kinds of alternative supplies should we be looking at"? And consulted some other alternatives in the Science Council of Canada, which I suppose even the First Minister all knowing and omniscient as he is, might give it some credibility and some credence as perhaps knowing what it's talking about; it just issues a report on Canada's energy opportunities, that was published in March of 1975. And as I quote from Page 69, it says: "Present figures indicate that solar energy could supply 40 percent of residential heating and cooling requirements and save money over the life of a house compared with conventional electric or fossil fuel heating in Canada, even with present technology. In each specific sense however these figures vary with geographical locations, urban, rural settings, etc. The benefits to the country as a whole are in reduced pollution, conservation of fossil fuels, money savings to consumers, and employment opportunities. Our ability to make full use of the sun's radiation is about as well developed today as nuclear energy was in the late forties. We know it can be done and is worth doing, but we have not begun seriously to tackle the problem in research and development." The Premier dismisses this out of hand. The Science Council says it's there, it's available, it could save money, and it could provide an additional and complementary use by providing on an individualized unit.

So it comes down, Mr. Speaker, to allocating the distribution of natural gas, but we have to be looking at it and saying we are going to be dealing with continually shrinking supplies of natural gas in relation to demand because we're going to have to be building 4,000 or 5,000, 6,000, 8,000 units of housing a year, and the supply is not getting any bigger; we have to find alternative sources. We're saying, here's one that could be applied and they investigated it, this was dismissed. Well, we then thought perhaps that even as we begin to develop a nuclear energy source, maybe that nuclear energy applied itself could be used, Mr. Speaker, to provide an alternative to natural gas in the terms of developing liquified hydrogen. Well, that was again treated with great scorn. "My goodness," the First Minister said, "Who's ever heard of things like that"?

Well, the Science Council again, and I quote from Page 76: "Hydrogen can be used in place of natural gas in any situation, can fuel cars and airplanes using present technologies. It can be transported less expensively than electricity over long distances. It can be burned in fuel cells to provide heat and power for residential and commercial uses. The technology needed to produce hydrogen electrically is well established. In fact a Canadian company is the world leader in the field." It then goes on to talk about how the development of nuclear energy reactors using the power that they generate to transform sort of water into hydro carbon fuel, into hydrogen fuels, would be less costly than using nuclear reactors to develop electricity, and it states so in this report. So it again comes back, Mr. Speaker, to the point raised on this bill that simply saying that we are going to provide a system to the Public Utilities Board of allocating natural gas is not sufficient, if at the same time we are not pursuing ways of adding to the supply of energy for residential purposes by investigating and developing alternative sources that would complement and supplement those sources.

That is why, Mr. Speaker, we again say that the government comes up short in the energy field. That it simply has not provided the kind of response that the time and demand requires. And that we're simply saying that certainly with our limited research and staff we can't pretend to compete with the government's sort of large numbers of energy experts and engineers and investigators, but we are saying that there are legitimate, credible sources in this country who are beginning to suggest that not only should we be looking at questions or trying to find ways of shuffling around available sources, or investing in heavily expensive development of

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MR. AXWORTHY cont'd) things like tar sands and going up into the far Arctic to find natural gas, that there would be ways of using that capital in a less expensive and less costly way. We're simply saying one of the reasons we don't think it's happening is we don't think that we have at the present time the ability to make those decisions, or perhaps even any interest in doing it. So rather than working towards this constantly piecemeal solution we're saying, is it again not time, and can we not make the case to the Minister that we have got to look at ways of providing a kind of organizational base that can make sure that we take into account all the interests and outlooks of the consumers, the producers, and the suppliers and the distributors, and come up with something more than is a piecemeal response to this problem.

Mr. Speaker, it also comes back to another question about the kind of statement made by the Minister of Industry when he introduced this bill. And I said that I gave him full marks for his attempt to make representation in front of the National Energy Board, and in particular his efforts to say that if there was going to be an effective allocation of energy sources, then there has to be a stoppage of exporting of natural gas to the United States. It would seem to me, Mr. Speaker, that while those different representations were correct, that the Minister was bargaining from a particularly weak position because while he is saying to Alberta, in particular, that they must stop exporting their natural gas, in the meantime Manitoba has made no gesture, has made no indication that it would be prepared to stop exporting its hydro electric power to the United States and find some pooling arrangement. Now British Columbia has made that kind of offer. British Columbia has made that kind of gesture at the last National Energy Conference, and saying that we don't know if it's possible or not but if it is a way of demonstrating to the Province of Alberta that they're not asking just one province to bear the full brunt of this, but that we are prepared also to make some sacrifices in terms of our advantage in the export market in the energy field, that at least that gesture should be made, that offer should be made. Because as a result we are bargaining from a very weak position if we're saying, we want Alberta to stop exporting its gas but we may have no intention of stopping the export of our electrical power. And that becomes a very interesting problem, Mr. Speaker, when you get down to bargaining and negotiation and everything else, in that you can't ask someone to do something that you're not prepared to do yourself. I think that is really the question now. The Minister in previous statements has said that it's easier to develop an electrical grid with the Midwestern United States, and that it may not be technically feasible to do so with Ontario, or Saskatchewan, but he hasn't produced anything to show that. All, at this point, we've got is his say-so. We would like to see a declared and definitive kind of expression of that problem, and one of the offers we should be making, if we are getting into national energy bargaining, is some kind of demonstration that somehow we can show the Province of Alberta that somehow it doesn't make sense for them, it makes sense for us. And we've got to come up with a much better argument than we're doing now. And the question again, Mr. Speaker, is I don't think we've got the capacity of doing that. And it goes back to my argument, I've heard the Minister on many occasions, and the First Minister --(Interjection)-

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: In fairness to the Member for Riel who I said that there is some sort of sense in which relevance lies. I presume that the Honourable Member for Fort Rouge could find a way of ingeniously bringing in the paving in Crescentwood constituency into this debate, on the debate on this bill. But there is some sense within which relevance must lie. And for the last 20 minutes the honourable member in my humble opinion has been outside that fence, and I think that it's time that the honourable members of the House be afforded some degree of indulgence as to what one does in debate. We are now debating the energy policy of the Government of Canada within the confines of a bill which would permit gas to be stored under the ground in certain areas of the province. I say, Mr. Speaker, that there is a limit to patience, and that there is a limit to relevance.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. We all know that the Minister is well known for the very near offences within which he exercises activity, and . . .

MR. SPEAKER: The Honourable Minister is asking me to make a ruling in respect to relevance. I think that's probably one of the areas that no one can make a ruling on, because if an argument is made that ties the question in and an analogy is created that ties the question

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(MR. SPEAKER cont'd) in, the gentleman was talking in respect to energy, and energy in respect to gas in respect to other areas are relevant in particular to the energy storage of gas in respect to the bill. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker. I certainly abide by your ruling and judgment. I find it extremely strange that it is the House Leader who raises the question of relevance, because I think any reading of speeches he has made in the past two or three weeks, we find out, in fact, he probably has mentioned Crescentwood in them, even though it has no relevance. And I would suggest, Mr. Speaker, that, --(Interjection)-- Well, let him keep trying to bully me, this is . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: On a point of order, Mr. Speaker. The honourable member is reflecting on the decision of the Chair with regard to speeches that I have made in the past. He is now saying that I spoke out of order and that you permitted me to be out of order during those speeches. I would ask the honourable member to not debate the rulings of the Chair.

MR. SPEAKER: The point is well taken. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I'm speaking to a point of order, I was not debating the rulings of the Chair, I was debating the wide degree of relevancy, irrelevancy which the Minister exercises in his own speech, and I think the ruling of the Chair is one that I agree with, because I didn't raise the original point of order, nor challenge the speaker. I am quite prepared to abide by his decision which I think is a most learned and enlightened one, under the circumstances. Nor do I intend to drag in many of the kinds of issues - while I'm sure the Minister would like me to debate . . . I'd be quite prepared to on any occasion, any platform - I'm much more concerned, Mr. Speaker, about speaking to this bill and to the question of energy, as I have been debating for the last 20 minutes or so.

And if I now may continue, Mr. Speaker. In terms of the - in fact the point, and the reason this is brought forward is because the Minister, who introduced this bill, if the House Leader had looked carefully at his introductory notes, has raised these issues himself. They're not something that I'm raising as an extraneous fact, but the Minister himself used in his introductory remarks, about the steps he has been taking in terms of trying to determine the allocation of energy and trying to deal with problems of natural gas exports with the National Energy Board. So, Mr. Speaker, I think it's only proper that if the Minister in introducing this bill sets the terms of reference that it's only in fact obligatory of members of the opposition to deal with the point that he raises, otherwise we would not be fulfilling our proper function in this House, and even though the House Leader would attempt and probably wish for us not to fulfill our obligations and make life easier on he and his government, I for one am not prepared to sort of accept his advice, as I very rarely do.

So, Mr. Speaker, in terms of continuing on this. That while we are setting up the ability of the Public Utilities Board to provide allocation, we're simply saying that is only one small piece of machinery, and that again the ability of that Public Utilities Board to make judgments upon the use and supply of energy sources is still highly limited because of the limitation on the government side of the kind of energy decision-making that we require. And again, Mr. Speaker, I would point out that it's interesting to note that 4 or 5 other provincial governments are now in process, or have set up departments of energy or energy corporations, which are now beginning to develop a more comprehensive approach because they use . . . are beginning to see that energy is a multiple dimension kind of problem, it isn't concentrated on one or two sources or one or two problems, but brings together, supply distribution, conservation, negotiation, and are now beginning to develop the machinery within the provincial jurisdiction to properly implement that kind of approach.

Until, Mr. Speaker, we get that kind of ability in this province, I'm afraid that while the steps brought forward in this bill are useful steps, and will be helpful steps, they are not sufficient steps and that we are still grasping in this province to provide for a proper effective, comprehensive energy policy and provide the machinery with which all those who are concerned about the use and supply of energy will have access, will know where the decisions are being made and will know where to focus their own energies and points of view; because right now, Mr. Speaker, even in our own House at the present time there's confusion as to who is responsible for energy? Is it the First Minister who looks after Hydro? Is it the Minister of Industry and Commerce who looks after the Energy Council? Is it the Minister of Public Works who

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(MR. AXWORTHY cont'd) says he's worried about conservation? Who is really responsible? Who is answerable for energy policy? Even now just in those three areas we've got sort of two or three kinds of separations. I suppose we could say the Minister of Labour is responsible for the National Building Code which has a major responsibility of providing for interchanges in insulation, is also brought into that.

If you're talking to the gas suppliers, who do they really go to to try to find out in this province who's making energy policy? Right now it's a three-headed sort of operation and as we used to say, strikers don't work, they always tend to run in three different directions. I think that the kind of choice we've got now is not a very effective one and could be changed. And frankly, Mr. Speaker, it would be a nice idea, maybe even before the Crescentwood by-election to shake up the Cabinet and shuffle around and get some new division authority and bring the machinery of government up to a more relevant modernized position so it can deal with problems that have risen. We simply say it's a matter of reaction time, and if the demands of the energy crisis as they are now apparent and recognized by every jurisdiction in this country require major changes in governmental organization and approach, it seems surely that Manitoba shouldn't be dragging behind and should be trying to respond. Because, Mr. Speaker, perhaps most of all we are in a precarious position because we lack so many of the fundamental sources, and that it requires for us to take special effort and special activity, and that requires a special kind of approach by the government which we think would be deposited in a separate department of energy and be able to provide that kind of focus which this province so sorely needs.

MR. SPEAKER: The Honourable Minister will be closing debate. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I had some sympathy with what the Minister of Mines was trying to say when the Member for Fort Rouge was speaking, and I think this bill is a pretty straightforward and limited bill and there's only two principles involved in it. One is more or less an experiment to determine whether some cavities underground can't be found in which to store off peak gas, to bring it in when we need it. That we agree with. The other is some machinery to set up allocations of the gas when we do need it. That we agreed with too, Mr. Speaker, and I think that's all there is to this bill. That's all I intend to say.

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Thank you, Mr. Speaker. While it's not my intention to, as much as I'm tempted, to spend the next 30 minutes or so --(Interjection)-- I can spend two hours? All right. It's a subject of great interest and since everybody seems to be concerned with by-elections maybe one should take the opportunity to discuss such matters as the federal energy policy and how it has been operating to the disadvantage of the Province of Manitoba and how the Liberal Government in this country has done Manitoba rather poorly by its policy of allowing 45 percent of natural gas produced in Canada to be exported to the United States while there are thousands of householders in the City of Winnipeg who simply cannot get on the gas-lines of the Greater Winnipeg Gas Utility Company. And I could go on further to talk about what I consider to be the undue exportation of oil which is of very limited quantity in this country as well, permitted to be exported at this time to the United States, which I think is to the detriment of the Province of Manitoba.

Mr. Speaker, we could go on and discuss the administration of government and discuss the merits of a department versus an interdepartmental committee where several departments that have had some interest involved, and we could certainly discuss our conservation technical advisory committee which has been set up, volunteers, engineers, people who know something about the technical aspects of conservation. I could talk about the efforts we made in co-operation with the Federal Government to promote the idea of conservation of energy in this province, some of which has not become public knowledge in the sense that the programs haven't yet got off the ground. And I could be very tempted to digress from the bill, Mr. Speaker, the main substance of the bill, by talking about the experiments in new supply that the honourable member is very concerned with. I'd like to mention that we are about to be engaged in a solar energy project, a solar energy experiment in Winnipeg, and I did mention this earlier in the Session. This is being proceeded with.

We have this week in Winnipeg a couple of Swedish engineers who are expert in district

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(MR. EVANS cont'd) heating. We brought them here to provide a little advice to the City of Winnipeg and to our own governmental engineers on the concept of district heating, because we think that this is a system of the future, where we're going to get a greater return for a given amount of energy input. I don't want to dwell on that. But I would refer also to the type of - there is a possibility of using garbage, I mentioned that earlier, we're looking into this. I might mention some other pilot projects that we've financed through the department including the Biomass Energy Institute which may be a bit far out, but nevertheless we've been trying, we've been trying for two or three years. There are many many areas that I agree with the honourable member that should be explored but I just would like to submit, sir, with all modesty that we are endeavouring to look into other areas of supply. We are endeavouring to get more energy for the limited supply of original source that is available to us. Unfortunately, however, by and large, the Province of Manitoba does not have a great deal of control in totality with regard to the energy that is available to us. Yes, in terms of electricity but no, in terms of gas, oil, coal and so on. Unfortunately most of these are beyond our particular borders. And this of course explains why we have been very concerned with making our points of view known to the Federal Government which we believe has jurisdiction, in fact should have more jurisdiction in this field of energy allocation.

And also of course the honourable member referred to the Public Utilities Board, made some reference to pricing and what efforts can we make to get people to be more careful about the utilization of gas or whatever other energy I suppose. But talking about gas, I suppose you could ask them to restructure, or have the utilities restructure their pricing mechanism, so that you're penalized for using a large amount of natural gas and rather than the reverse as is the case now, the more you buy the cheaper it is per ccs. That whole pricing mechanism could be reversed. That is one method of course. The only problem with that of course is that, while it could have a desired effect, it does discriminate against those on low and middle income as opposed to higher income groups.

Mr. Speaker, on the bill, I appreciate the support --(Interjection)-- Yes, there is a bill. I'm gravely tempted to stand up here, sir, in view of your ruling to speak for half an hour on this subject, but I won't because I think we have to get on with the job. But on the bill I appreciate the support of both parties. The question of the environment was raised, environmental considerations. I appreciate the honourable member's concern. I'm assured that this particular technique where gas, if it is feasible - I underline the word "if" - if it is feasible where natural gas could be pumped into this porous rock formation I believe other gases are in this rock formation now, and they've been there for some time. I don't think there's going to be a problem of seepage. At least this is what I've been advised. It's not the same category as putting gasoline, for example, in a metal tank underground that a gasoline service station might do. But at any rate, it's possible that at the Law Amendments Committee we might have someone to answer that particular question.

But with regard to the environment, we do have environmental laws. I presume that they would apply and I don't really envisage any problem in this particular area of environment. At least this is what I've been assured of, there virtually is no environmental problem, because you're talking about a porous rock formation which already contains certain types of gases. They would be replaced, as I'm advised, with this so-called natural gas.

Questions were asked by honourable members of the Official Opposition regarding costs of exploration, costs of development and so on, and these are very rough estimates. But for the interests of members, I'm advised that the estimated costs of exploration would be approximately \$500,000, or half a million dollars, which would include the delineation of the storage capability and capacity. If the initial studies and tests proved positive and the development was proceeded with, then the estimated costs - and again these are very rough figures and they do stand to be verified in due course, if this process proceeds - the estimated cost of the development could range anywhere between \$7 million and \$10 million. Reference is made to the storage company involved that we referred to. As I explained earlier or at the beginning of the debate the other day, the storage company involved, whoever, would have to apply to the Public Utilities Board for permission to sell and would be governed by the regulations of that board, and I would add then that the expenditure involved by the storage company, the development expenditure, the investment of \$7 million to \$10 million, I assumed would be recovered in the rate base of the storage company. And this is typical of public utility economics, it is

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(MR. EVANS cont'd) typical of public utility investment where the initial investment is returned via the price received from the customers, the price being governed in this case by the Public Utilities Board.

Mr. Speaker, I think I've answered the essential questions, and I won't be tempted to stray and debate at length the whole question of the so-called trade-off of export of electricity versus the export of oil or gas because we are in a sense comparing apples and oranges and we did make it as a public offer, we did make it publicly known at the Federal-Provincial conference that we did offer Manitoba electricity to the national grid - to Ontario or to any other province that was interested in obtaining our electricity. We would actually prefer to sell it to Canadian customers if this were possible.

Mr. Speaker, therefore I trust that this will proceed expeditiously through Law Amendments Committee. Thank you.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move seconded by the Honourable the Minister of Industry and Commerce, 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 of Supply with the Honourable Member for St. Vital in the Chair.

COMMITTEE OF SUPPLY - CIVIL SERVICE

MR. CHAIRMAN: Order please. I direct the attention of members to Page 12 in their Estimates Book. Resolution 29(a), The Honourable Minister of Labour. The Honourable Member for Fort Garry.

MR. SHERMAN: I don't wish to take the floor from the Minister of Labour, Mr. Chairman, it was just that at the time we were last on this particular resolution I think I was making some remarks about the Civil Service but I would be prepared to leave it at that point at this juncture and let the Minister respond, if he was going to do that.

I had been saying at the time that I felt that the answers to the kinds of things that were done last year when we passed several amendments to the Civil Service Act, still await demonstration and still await proof of success. I said I thought that the jury was still out on what we had done with the Civil Service --(Interjection)-- Fine. And I had been talking too, about what I felt was a subtle pressure from some sources that seems to insist to the MGEA, in particular, that they're not really an effective bargaining unit, that they're not for real unless they win and exercise the right to strike, although many of them I believe do not want to have the right to strike. --(Interjection)-- Yes. So I had been making those points, and if the Minister has recollection or has record of that and was going to respond to those questions of mine, then I'd be prepared at this point, Mr. Chairman, to yield the floor to him. That doesn't say that we're necessarily through with that particular subject, but I would like to hear from the Minister. Thank you.

MR. CHAIRMAN (Mr. Jenkins): The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, that's what I was hoping for to give answers to the questions that were posed, and of course my honourable friend has just asked the same questions this afternoon as he did the other day. It was a hope that possibly we could conclude these estimates before the committee rises. However, of course, that's in the hands of the committee itself.

Personally I'm not going to take very long on the balance of the estimates but I feel that it's only fair to the members of the committee that I attempt to answer the questions that were posed. So I will start with my honourable friend, the Member for Swan River, who spoke first.

He asked the question, why it was that we didn't have the allowable seven members to the Commission as per legislation that was passed last year. I've indicated an additional one, making it four, and I felt it advisable with a very important committee or board like the Civil Service Commission that there be a gradual expansion of the committee, of the Commission, rather than bringing in a greater number all at one time. And that's my explanation for that, and there will be other appointments of course, subsequently. But that basically is the reason.

My honourable friend the Member for Swan River also asked the question, why so many, 23,000 applicants, to become employees in the public service of the Civil Service? The only

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(MR. PAULLEY cont'd) answer I can give to my honourable friend is that the Civil Service is becoming far more attractive now than it ever was before, working condition-wise, salary-wise, and otherwise, that more people are inclined to make application to come into the Civil Service. That's the only answer I can give my honourable friend.

Then he also asked me whether I could supply the information as to the total number of hours lost through alcoholism. Here again, I'm sorry that statistically we don't keep figures as to why a person has booked off. Ill, usually is the reason given for being off, and of course alcoholism is a disease and we don't keep records precisely attributable to lost time as far as alcoholism is concerned.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Yes. Does the Minister feel it's not a serious situation?

MR. PAULLEY: No, Mr. Chairman, I don't think it's a real serious situation at all, but it's one of those types of situations, according to information, that is growing generally and in industry generally, and that it seems advisable that we should take cognizance and recognize that it is a fact and that we should do what we can to assist.

Then my honourable friend from Swan River raised the question of Cabinet Ministers writing letters to the Editor of newspapers, and I suggest that that's a matter for the Ministers, or anyone else, to use their judgment in so doing. I'm sure my honourable friend would agree with me that it would be inadvisable to pass a law to prohibit Cabinet Ministers or members of the Assembly from writing letters to the editor, except I recall one occasion --(Interjection)-- Yes, or civil servants. I wouldn't want to impose restrictions. I do recall one occasion - and I'm not sure whether my honourable friend wasn't the Speaker of the House at the time, no, I believe it was Mr. Speaker Bachynsky, and the former representative of Swan River wrote a letter to the Editor criticizing the Speaker, and we had quite a hullabaloo in the House because that was done. My honourable friend, I don't know whether, from - that was the good old days, yes. I don't know if any other member was present in the House at that time, but I well recall Mr. Speaker Bachynsky taking the late George Renouf to task because he criticized the Speaker publicly. It was most interesting at that time. So I would say that generally speaking, this would be the type of restraint or restrictions that would be pretty tough to impose.

He also asked the question, why the funds for the CPP-Canada Pension Plan it was up by about a million dollars? It's all reflected in increased cost of the Canada Pension Plan on the basis of the salaries; every time the salaries are increased of course it means a greater contribution that has to come out of the public treasury to match the contributions of the employees as far as CPP are concerned. And, as my honourable friend knows, there still was about a seven percent increase in wages under the previous collective agreement that contributes to the increase in the expenditure for this year, coupled with some anticipation of what it might be as a result of further increase in increments in the salaries of the civil servants.

The Honourable Member for Assiniboia - I'm sorry he's not here - made reference to the superannuation funds, under the Superannuation Act. I indicate to my honourable friend, and I'm sure the Member for Portage la Prairie will inform him, that that information is contained in the annual report of the Civil Service Superannuation Board, which I tabled in the House as required. He mentioned the fact of the 3 percent interest on refunds of contributions being low. My answer - I agree with him that the 3 percent is a low figure to be granted on refunds, but I draw his attention, that it was only about three years ago or so that there was any refund by way of interest, or interest on refunds granted, and that was done about three or four years ago. Three percent is still pretty small but it's greater than it was. And refund at death, well there are provisions providing the person, if the deceased had sufficient number of years in the Civil Service his widow would qualify for, I believe it's 60 percent of the pension the deceased would have received, and if those contributions aren't great enough, then of course at death the widow would receive the 3 percent the same as any other employee.

Then my honourable friend from Assiniboia also mentioned Pension Benefits and increases. Just the other day an Order-in-Council was passed dealing with the matter of increased benefits. An Order-in-Council was passed applying another cost of living factor to the pensions being earned and granted to our retired personnel, and I want to indicate, Mr. Chairman, this is appreciated by the retired Civil Service members and here we championed, as far as I am aware, the contribution of giving a cost of living factor to increase the pensions or our pensioners. I believe we pioneered in Canada in doing that, and in some cases the pensions of our retired people have been increased three-fold.

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(MR. PAULLEY cont'd)

Then there were other questions, the Honourable Member for Assiniboia raised in connection with pensions, a question of vesting of private plans, and the likes of that, and I suggested then, and I can confirm it now, that that is a type of a matter that should be discussed under the bill introduced this afternoon by the First Minister.

He talked about grievance boards for the Civil Service, and this is a matter of one of the items that's in negotiation at the present time, or has been dealt with in the negotiations and the matter, if I recall correctly, has been referred to the Joint Council for further consideration after the proposed collective agreement, if approved by the Civil Service, is approved.

Then, also both the Honourable Member for Fort Garry and the Member for Assiniboia raised the question of the right to strike. There are differences of opinion dealing with the Civil Service Act as to the right to strike and it does not necessarily follow that in order to grant that right precisely amendment should be made to the Labour Relations Act accordingly. I have expressed my opinion, as Minister responsible for the Civil Service, that in the past I offered the right to strike to the Civil Service if they so wanted it. There has been confusion within the ranks for a period, and it's my understanding that at a regular meeting of the Convention of the MGEA held, I believe it was late last year, by a majority vote a declaration was made so that the Civil Service would have the right to strike. We have to take into consideration though, Mr. Chairman, before this is done, amendments to both the Civil Service Act and to the Labour Relations Act, and due to changing conditions at the present time and pressures, it is not my intention, either as Minister of Labour or the Minister responsible for the Civil Service Act, to introduce any wide-spread amendments at this particular session.

My honourable friend from Assiniboia dealt with the removal of restraints in the Civil Service Act. I've just indicated that a review will take place of the Act in respect of those matters.

He also dealt with the question of the legislation that we passed last year which gave a further appeal from the Civil Service Commission insofar as selection of persons for promotion, if they were still not satisfied that they could appeal to the Minister in charge of the Act, which happens to be myself. He suggests that it should be an independent person. Well, I'd say quite frankly, Mr. Chairman, I have no desire as a Minister to sit as a final arbitrator, and it wouldn't bother me one bit if I didn't have that responsibility, but I must say, and I hope that the Member for Assiniboia was not implying that I couldn't make a judgment on a reasonably fair and equitable basis. I believe that I could, but if it would appear as though that I could not and some other independent person, I said other independent person, to make a final judgment, well, it's six of one and half a dozen of the other.

Then he raised the question of decisions in writing. There is provisions now that where demerit marks, points, or that, are drawn to an employee's attention, it could be placed on his file as to a penalty, so that he's aware of what goes on the file. I believe this is the way we operate. But I think, Mr. Chairman, we would get into a very difficult situation, if all of the decisions of the Civil Service Commission were put down in writing; it would mean that we'd almost have to set up court reporters to take down evidence, and all this information which is not generally done anywhere that I'm aware of, except in police courts, and the Commission doesn't act in the same capacity.

Now the Honourable Member for Fort Garry raised a number of interesting points dealing really with legislation that was passed a year ago, pressures on the Civil Service re political activity, and said that this is still before the jury to see whether or not it is working or hasn't worked, and the problems that we may encounter. Then reference was made to a demonstration that was held during or following the disclosure of the award of the Arbitration Board, the right to strike out, and considerable numbers came to the steps of the Legislature demonstrating. Now I think, Mr. Chairman, it would only be fair to say that in effect this was a political demonstration because here the civil servants came and were able to give vent to their feelings against the administration which is political. It may be that some might not agree that a demonstration of that nature would be considered political. I would suggest because of the freedoms that we have granted to our civil servants that it could conceivably be indicated that the demonstration was of a political nature against the government for not doing certain things.

My honourable friend for Fort Garry mentioned that the morale should be high. In my opinion the morale is high, albeit there's a number of areas where there are differences of

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(MR. PAULLEY cont'd) opinion and dissatisfaction. But I ask, Mr. Chairman, when you have 23,000 employees, is it not logical, or is it not so that you may have a number of dissidents within such a large group, and quite frequently those are the ones that give the greatest evidence of disappointment. So I say to my honourable friend that he might be correct, may be correct, when he says that the jury is still out re changes in the Act as amended last year.

My honourable friend talks about the general undercurrent of unrest in the Civil Service. But I say that there is a general unrest all across the industrial world today, unrest in all management-labour relations plans. It's not just peculiar to the Civil Service in Manitoba. They've had the same type of thing in Ontario. It went down to the 11th hour with their 60,000 civil servants in Ontario, and I happened to be in Toronto during the time of the threat of strike, and it was only resolved round about 6:00 o'clock in the morning after all-night bargaining with the employees, and there had been unrest, and there was considerable unrest for a long period of time in Ontario. The same has been true in all of the provinces, Alberta, British Columbia, Saskatchewan - you name any of the provinces and there has been unrest in the Civil Service. But this is typical, or at least indicative of the whole situation prevailing in the industrial field, as I say.

Then again, my honourable friend mentioned the right to strike. I think I've answered that, or at least drawn it to the attention of the committee, and my friend from Fort Garry says that the employees do not want the right to strike. I say indicated, that by resolution a majority vote indicated that they do want it. The only thing I can add to that is, if and when they do get the right to strike, if they not already have it, I would suggest that negotiations in good faith can obviate the necessity of going on strike. My honourable friend indicates that there is subtle pressure on the Civil Service to be goaded into a strike position. I really don't believe that is the case, Mr. Chairman. Certainly it hasn't been drawn to my attention because when one has the attitude that I have as Minister of Labour and the Minister for the Civil Service, if I thought for one moment that anyone was being goaded into going on strike, they're a mile out, because I've made so many statements to the contrary that I would be prepared to try and bring about the disciplining of anyone who attempted to goad - to use the word of the Honourable Member for Fort Garry - to goad others into going on strike. I know that this does happen, it has happened, but it's not been drawn to my attention at all.

I believe, Mr. Chairman, that gives my replies to those items that I marked down from the honourable members opposite who spoke on the estimates. There may be other questions but I've tried to jot down, I tried to jot down what was asked of me, and these are my answers.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Well, Mr. Speaker, I haven't spoken on this particular set of estimates, nor did I speak on the labour estimates, so while I'm on my feet, I would like to take a brief moment to pay tribute to the Minister of Labour. When we examine past administrations, both Liberal and Conservative, sir, I don't think - now I could be wrong - but I don't think that there was a person who occupied the post of Minister of Labour who had an insight into the working man's problems that this Minister has had, and while he may have made some mistakes - I'm not saying he's perfect - he has done a pretty good job and I hope he stays in his portfolio till he retires, which he stated he would be doing when this Legislature comes to an end.

And the same remarks I give to him with respect to his responsibility for the Civil Service Commission that, while we have criticisms over here, we think that the Minister is acting with sincerity and is trying to do the right thing, and while it's the job of the opposition to point out the flaws, occasionally we do pay a compliment, and I do that with sincerity to the Minister of Labour that I think he's doing a pretty good job with the difficult situations that are facing us.

But now that I've given him a mild pat on the back, I have a couple of criticisms to direct towards him. --(Interjection)-- That's right. That's right. I note the other day when the Minister was speaking about, and with some pride about the fact that there had been some hundreds of competitions held - I believe it was in the neighbourhood of 1,400 competitions, if I remember - and many thousands had made applications, and the Civil Service Commission had dealt with appeals, and so on, he mentioned the fact that I believe there was seven cases had been referred to, by a dissatisfied civil servant, to the Ombudsman and while nothing had. . . I don't think the Ombudsman had upset any decision, if I recall, but I think the Minister should

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(MR. G. JOHNSTON cont'd) take a note of this. The very fact that civil servants who have the right of appeal, and obviously must have gone through that procedure, but then to have to go to the Ombudsman for what they thought would be some judgment that would help them, there's an indication here that all is not well in the procedures that a civil servant must take to appeal a decision, whether it's for promotion, or suspension, or whatever, whatever reason that he has appealed his case, and I've been told by members of the Provincial Civil Service that they don't feel that the appeal set-up in the Civil Service Commission is that effective. For one thing, when one goes to appeal a case, then either people who work with, or original members of the Commission, are asked to review their own actions in effect, and very seldom are they going to reverse the decisions made within the department. It doesn't make sense that anyone seeking appeal will have a very good chance of getting an appeal reversed by the very people who have made the decisions in the first place. So I would like - the Minister is shaking his head - I'd like him to really tell us how an appeal is handled; if there are different people involved completely; if the appeal is handled by a completely different group, because when a civil servant does go to the Ombudsman right away he's going to annoy a lot of people who are above him in the Civil Service. The very fact that he had the temerity to go near the Ombudsman, number one, he must have felt very strongly about his case; number two, he's taken into consideration that he's going to annoy and draw the wrath of some superiors who will find out later on what has happened. So there must be something wrong that a civil servant does go to the Ombudsman, and surely there must be a change needed here. I understand the MGEA want to have some sort of a grievance board. Now whether the composition of that board would be civil servants and management, I don't know. But perhaps this might be a solution for hearing the appeals, where completely disassociated people are hearing the appeals and not people within the Civil Service Commission.

Now when the Minister answers that I have another rather unrelated point that he might give an answer to. And that is when contracts have run out and negotiations go on and the employees are still at work, and eventually a pay raise is given, it's my understanding that the MGEA are very concerned about their membership. That someone who has worked for the summer as a student, or who has left the employ as a civil servant, during this time when negotiations were on, he doesn't get any of the retroactive pay. I've had people come to me about that. Morally this doesn't seem right. If a person is . . . if the class is awarded a pay increase and someone has had to go back to school before the final settlement is reached, or if someone has had to leave the province because their husband is posted to another province, they should be entitled to that pay increase the same as the members of the MGEA who stay on the job and are here after the settlement is signed.

Now I wonder if the Minister can give me some answers on those two points.

MR. CHAIRMAN: The Honourable Minister of Labour.

MR. PAULLEY: Yes, Mr. Chairman. First of all let's talk about the Ombudsman and his interest and the people that went to the Civil Service. If my honourable friend would take a look at the Civil Service Act, he would find that the appeals to the Commission are provided for in the Act. And where there is no appeal to the Commission, there may be cases that the people may take advantage and go to the Ombudsman, of which apparently there were seven. The Ombudsman cannot deal with any case that is appealable to the Civil Service Commission. The cases that he dealt with, with one exception that I can think of, would be persons who are outside of the Civil Service, who were disappointed because the Selection Board or a selection panel did not accept them for a position, or persons who had been making application to get into the Civil Service for a considerable period of time without success. That is the type of person that goes to the Ombudsman.

Now I said there was one exception that I can draw to mind, and that was within my own department. And I wouldn't be a bit surprised that a year hence, when we receive the report from the Ombudsman, there will be criticism directed toward the Minister of Labour because he didn't make an appointment of an individual to a position because in the opinion of the Minister, rightly or wrongly, it was desirable to have further applications made to that particular position. So there wasn't a question of an appeal to the Commission, that is the Civil Service Commission, because it wasn't appealable to them. So the party concerned went and saw the former Chief of St. James, our Ombudsman, who generally speaking does a pretty fair job, and laid a complaint, and subsequently a complaint was laid against the person, who happened

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(MR. PAULLEY cont'd) to be the Minister of Labour in this case. And that was one of the seven. But that's the only one that I know offhand that did deal with a person who was within the Civil Service who did go to the Ombudsman. There may have been others, but because of my personal involvement in this, I was made well aware of it by Mr. Maltby, of his opinions. But I guess in this democratic world we live in, even Ministers of Labour have opinions as to what is right and wrong, and I'm not trying to take the Ombudsman to task but I've yet to find a human being that is always right, even though he's in a position.

Then of course some of the persons referred to in the report would have had their cases dealt with by the Human Rights section because of alleged discrimination on the basis of sex or religion or colour.

I want to inform my honourable friend that the appeal at the present time is not to departmental people at all. Where an employee is dissatisfied with the decision of a Selection Board he may then appeal to the Independent Commission for redress or a hearing, and the Commission is made up of, at the present time, the present full-time Commissioner, Mr. Duncan, who was appointed by this government; Mrs. Hazel Allen, the first woman Commissioner for Manitoba, who was appointed by this government; Chris Hubert and Jim McFee are the other two members, and of course Jim McFee was the former Provincial Auditor, if I recall correctly. Chris Hubert was appointed I think just after we came into office when there was a vacancy. But I consider the four people that are the Commissioners independent people, and their decisions which are reported to me indicate that such is the case, and that they do give fair hearings. Also may I suggest, Mr. Chairman, to my honourable friend that the employees have rights of representation by the organization, the MGEA, before every appeal that is made to the Commission. And as I indicated the other day, notwithstanding the change in the legislation, I have not had one request directed to me from any department or employee for a further appeal from the Civil Service Commission on the question of selection, for which there is an appeal under the provisions of the Civil Service Act. I have one at the present time that I'm giving consideration to because it was referred to me as a further appeal but the party was not one that was under the terms of the Civil Service Act which had that right, full right of appeal to the Minister because it was something apart from selection. So we do get these cases.

The honourable member raised the question of pay for students who work part time, and the likes of that, if there is an increase, the pay is set for the students at the time of their engagement. I don't believe that they're covered by the collective agreement in any case. They come in as part-time employees and they're not under the MGEA. It is true that under the terms of the last collective agreement that was arbitrated a decision was made that anyone who was not in the employ of the government at the time of the decision made for the increases in pay, would not receive the pay. They had to be in service at the time of the referral to the Arbitration Board. It's my understanding that one of the matters that have been dealt with in present negotiations covers that point. It's also my understanding that under the proposition that we have had laid before us dealing with the point raised by my honourable friend, will be overcome. We won't have the same type of non-payment for earnings prior to the collective agreement.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: One other question. When the demonstration took place out on the front lawn about a month ago, I detected a note of resentment among many of the civil servants by way of their signs, the feeling was against the contract employees. There's now, I understand, over 1,000 contract employees.

MR. PAULLEY: 593, and that's fluctuating.

MR. G. JOHNSTON: 593. Now what control, if that's the word, or what relationship does the Civil Service Commission have with contract employees? Do contract employees negotiate a contract with a department? I understand there's a great number of them in the Department of Northern Affairs and the Department of Education. The feeling I got in talking to some of the people was that contract employees were being more highly paid than the careered civil servant. Now perhaps many of the contract employees hope to get into the Civil Service. I don't know whether they contribute to a pension plan or not, and I can understand why they may receive somewhat more because they don't have all the fringe benefits. But is there a policy on controlling the number of contract employees? Does the Civil Service Commission have anything to say about this? Because really they're a special group. The MGEA

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(MR. G. JOHNSTON cont'd) doesn't represent them, although I think they would like to. The Civil Service Commission appears to have no control over them. What is the situation there?

MR. CHAIRMAN: The Honourable Minister can answer that the next time the Committee meets. The hour being 5:30, Committee rise and report. Call in the Speaker.

Mr. Speaker, your Committee of Supply has considered certain resolutions, reports progress, and begs leave to sit again.

IN SESSION

MR. SPEAKER: The Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Point Douglas, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour being 5:30 the House is now adjourned and stands adjourned until 8:00 p. m. tonight.