



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

STANDING COMMITTEE

on

INDUSTRIAL RELATIONS

31-32 Elizabeth II

Chairman
Mr. S. Ashton
Constituency of Thompson



MG-8048

VOL. XXXI No. 1 - 10:00 a.m., TUESDAY, 21 JUNE, 1983.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON INDUSTRIAL RELATIONS

Tuesday, 21 June, 1983

TIME — 10:00 a.m.

LOCATION — Winnipeg, Manitoba

CHAIRMAN — Mr. S. Ashton

ATTENDANCE — QUORUM - 6

Members of the Committee present:

Hon. Mr. Cowan, Hon. Ms. Dolin, Hon. Messrs. Kostyra and Storie

Messrs. Ashton, Mercier and Nordman, Ms. Phillips, Messrs. Scott and Steen

MATTERS UNDER DISCUSSION:

Bill No. 42 - The Jobs Fund Act; Loi sur le fonds de soutien a l'emploi.

Passed without amendment.

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MS. C. DEPAPE: Committee come to order. I have here the resignation of our former Chairman, Mr. Storie. We will first proceed with the election of a new Chairman. Are there any nominations?

Mr. Kostyra.

HON. E. KOSTYRA: I move the nomination of the Member for Thompson.

MS. C. DEPAPE: Are there any further nominations? Seeing none, Mr. Ashton, would you please take the Chair?

MR. CHAIRMAN: There is one item before the Standing Committee on Industrial Relations, Bill No. 42, The Jobs Fund Act; Loi sur le fonds de soutien a l'emploi.

There are no scheduled submissions. Is it the will of the committee to go clause-by-clause, or page-by-page?

MR. B. RANSOM: Page-by-page.

MR. CHAIRMAN: Page 1 - Mr. Ransom.

MR. B. RANSOM: Mr. Chairman, I'd just like the First Minister to tell me, once again, just why we need this bill. Just what it is, that this bill is going to allow the government to accomplish, which cannot be accomplished by existing authority?

MR. CHAIRMAN: The Honourable First Minister.

HON. H. PAWLEY: Mr. Chairman, two basic legal reasons are required; to provide for non-lapsing of the trust fund, specifically the \$10 million of monies that were obtained, by way of the Manitoba Government

Employees Association monies; that those funds not lapse, but would be permitted to continue. The other is to avoid repetition pertaining to Orders-in-Council, not requiring Orders-in-Council for each and every grant, each and every payment, that is required to streamline and to simplify the process of administering the fund.

MR. B. RANSOM: Mr. Chairman, with respect to the \$10 million Manitoba Government Employees contribution, does this mean that no money, none of the \$10 million has been expended at this point, and that the government does not expect to expend the full \$10 million during this fiscal year?

HON. H. PAWLEY: It's anticipated that the \$10 million may very well be spent this year. Those funds cannot be spent without consultation with the Manitoba Government Employees Association. That is the commitment we have given, as a government, to the Manitoba Government Employees Association. Also the trust fund is potential fund, insofar as any other trust funds that might occur, during this fiscal year from other sources, beside that of the MGEA.

MR. B. RANSOM: Is it set out in the bill that the \$10 million can't be spent without consultation at the Manitoba Government Employees Association?

HON. H. PAWLEY: No, it's a commitment that we have made to the Manitoba Government Employees Association. We have a representative of the Manitoba Government Employees Association on the Advisory Board for that very purpose, and that other very reason; to ensure that there is adequate and sufficient input, insofar as the MGEA is concerned, in regard to the allocation of funds, in view of the fact that the origin of these funds relate to the agreement that we arrived at with the Manitoba Government Employees Association, some months ago.

MR. B. RANSOM: Is the Government Employees Association not becoming a bit anxious, that their money isn't being put towards some job creation, at this point?

HON. H. PAWLEY: I think they are quite satisfied. Because of the total \$200 million fund, \$131 million has already been committed, so that they can see and they can ascertain that progress is being made; and certainly, the representative of the Manitoba Government Employees Association on the Advisory Board, has not complained along the lines that the honourable member has suggested.

MR. B. RANSOM: Have there been any suggestions, as to exactly how this \$10 million would be spent, at this point?

HON. H. PAWLEY: No, there has been no specific suggestions yet, insofar as this \$10 million, because we've been dealing with the other monies and allocating the other funds. The announcements that have been made, up to this point, have dealt with the other funds within the total Jobs Fund Program and not with this \$10 million.

I'm not anticipating that we will have difficulty with the Manitoba Government Employees Association in working out projects that would receive the mutual support, of both the government, and the MGEA.

MR. B. RANSOM: Can the First Minister explain, in a little more detail, just what the advantage is to the public, to be able to make grants, under this act, without having to pass Orders-in-Council?

HON. H. PAWLEY: The whole purpose, of course, of the Jobs Fund is to better co-ordinate and to better target the initiatives pertaining to the creation of jobs; to have a Jobs Fund Program, Minister, Chairman, and a co-ordinator, and a committee, whose responsibility will be the fund, rather than dispersing that sort of responsibility throughout various departments.

Insofar as the advantage of not having repetitious and O/Cs having to be passed, of course, it's to streamline, to avoid delay, to avoid the encumbrance of red tape, in view of the fact, we do have to proceed with a certain degree of haste, in view of the jobless situation. I think that any measures that can be undertaken, in order to reduce those time pressures, is certainly an advantage to those that would benefit from the program.

MR. CHAIRMAN: Mr. Mercier.

MR. G. MERCIER: Mr. Chairman, a question to the First Minister. Did the First Minister say the \$10 million, supposedly donated or contributed, by MGEA had not been spent or committed?

HON. H. PAWLEY: No, there has been none of that \$10 million that has been expended or committed up to this point.

MR. G. MERCIER: Mr. Chairman, did the First Minister, or the Finance Minister, not say yesterday, in committee, that the \$63 million, which is a capital amount under The Loans Act, had not yet been committed or spent?

HON. H. PAWLEY: I thought we were speaking in terms of \$72 million - the Finance Minister yesterday. The answer is yes.

MR. G. MERCIER: The \$63 million has not yet been committed?

HON. H. PAWLEY: Had not been committed.

MR. G. MERCIER: Mr. Chairman, the government, during consideration of the Jobs Fund, tabled a statement that said \$131,400,000 has been committed. If you add the \$63 million in capital, it seems to me, that adds up to \$194 million. The Jobs Fund is \$200 million, so it seems to me, at least \$4 million of the

\$10 million contribution from MGEA has been committed or spent.

HON. H. PAWLEY: There have been projects that had been determined, but have not been announced up to this point. The \$131 million, which I could go through, are projects which have been decided upon, have been announced. There have been a number of projects that have been agreed upon, but have not yet been announced.

MR. G. MERCIER: Mr. Chairman, earlier on, the First Minister said that the \$10 million contribution from MGEA had not been committed or spent. He also said \$63 million in capital has not been spent or committed. If there's \$131 million committed, then obviously, some of the MGEA money has been committed or spent. Is that not correct? All you have to do is do a little bit of adding.

HON. H. PAWLEY: Of the total \$200 million, \$167 million has been either announced or decided upon, but not announced, because there are projects that have not been announced. Insofar as the \$10 million, insofar as MGEA is concerned; there has been no announcements, there's been no commitment.

MR. G. MERCIER: Where does that put the statement of the Finance Minister yesterday then, that there'd be no commitments with respect to the \$63 million in capital? That was incorrect then, was it?

HON. H. PAWLEY: I think that what is being confused here is the difference between announcements and commitments. There have been decisions that have been arrived at in regard to the expenditure of certain projects in which there have - up to this point - been no announcements. There have been a total of \$131 million worth of projects that had been announced. There's close to \$60 million that has either not been announced, or has not been committed up to this point of the total \$200 million.

MR. G. MERCIER: Mr. Chairman, a further question. In view of the document that was tabled by the Minister of Natural Resources in the House yesterday, showing where the projects are taking place by electoral division, is there a requirement in this act that information be prepared and shown how the money is being spent in electoral divisions?

HON. H. PAWLEY: No, it has been practised though in the past, certainly to indicate the division, by way of electoral divisions. In fact, I can remember one time some years ago when under the PEP Program, the Provincial Employment Program, in which there was a distribution of the amounts per constituency. I can recall the Member for Pembina being somewhat surprised, as the largest number of funds that had been allocated and spent under the old Provincial Employment Program back in the mid '70s, were in his constituency. So it has been done in the past in order to give members of the Legislature an opportunity to know to what extent there has been commitment and government programming affecting their particular regions or areas or constituencies.

MR. CHAIRMAN: Ms. Dolin.

HON. M.B. DOLIN: I just wanted to add in this particular area, since it does come under the staffing and the job that the staff was doing in its area, one of the, I think, very good things about the computer capability that we have now, obviously, is that we can sort all of the projects that we are doing in many many different ways. It allows us to watch the targets that we are aiming at to see if we are, in fact, getting a distribution to the high unemployment areas, whether we are getting a distribution throughout the province, and so on, and we can sort these projects in many different ways. We can keep on top of this. We are just at this point, as the announcements are coming through and the allocations are coming through, getting enough information put into the computer so that we have some realistic output, and that's the kind of thing that was tabled yesterday, that particular sorting, as you say, was filed . . .

HON. H. PAWLEY: At one point, you analyzed the riding-by-riding breakdown and being careful in respect to the information, because all that it indicates in some instances is that some ridings will have large sums of money spent solely because either the Brandon Training Centre is located in the area involved or, in my own particular case, I was rather taken back when they announced that \$1 million was spent in the constituency of Selkirk till I found out that mainly the vast bulk of it was work to the Selkirk Mental Hospital.

MR. B. RANSOM: Mr. Chairman, the First Minister referred to co-ordinating and targeting, that this was part of the advantage of establishing the Jobs Fund, that this co-ordination and targeting could be done better. He gave that answer in response to a question about not having to pass Orders-in-Council. I don't quite see the connection there. It seems to me that the government could undertake co-ordination and targeting without having to have this kind of an act. Exactly how does the procedure of not having to go by an Order-in-Council assist the government in doing its co-ordination and its targeting?

HON. H. PAWLEY: Well, first and foremost, insofar as the co-ordination and targeting is concerned, honourable members will have certainly experienced from their time in government as well that there is a tendency of departments to think in respect to department terms; indeed, for Ministers to begin to think in terms of department terms rather than terms of the collective responsibility. In our particular instance, our collective responsibility, in our view, as a government is to highlight and is to concentrate on those projects that will generate employment, but at the same time will ensure that there is a lasting asset in the main as a result of the generation of funds towards employment.

The Jobs Fund program, Jobs Fund Board ensures that they're not only as a department bias demonstrated, but that any project be looked at from the point of view of its job worthiness, to the question of whether or not skills are being developed and preserved, and also questions as to whether or not any particular project will result in long-term

employment. That is the purpose of the fund and the purpose of the Jobs Fund Board as per this legislation.

Then dealing with the question of the O/Cs rather than ending up round the Cabinet table with - I don't know what we could end up with in respect to grants, etc.- but large numbers of O/Cs to streamline that process so that we don't have the kinds of delays that will so frequently and, unfortunately, too frequently occur in government ranks when everything must be approved by way of O/C, the preparation by the department in regard to the paper relating to recommendation of the O/C, the processing of the O/C through Cabinet, the other measures that are required relating to same. Instead, that web of bureaucracy - I don't know whether that's an appropriate word - web of bureaucracy can be . . .

MR. B. RANSOM: It's appraise, Howard.

HON. H. PAWLEY: . . . circled around in order to better streamline that, and I think that is why the heavy construction industry, Mr. Greasley, for instance, endorsed this kind of approach because of past frustrations they've had with all governments, in regard to seeing projects announced and proceeded with and monies paid out and developed.

MR. B. RANSOM: Has this approach been discussed with the Provincial Auditor? I am interested in knowing whether there will be adequate reporting as far as the public is concerned. We recognize that there are times that the Civil Service structure, and perhaps even the politicians, like to put things together in a certain way for their convenience, but that doesn't necessarily serve the long-term right of the public to know how their finances are being managed. So has this Act been discussed with the Auditor?

HON. H. PAWLEY: The Auditor has certainly seen the bill. My information is the auditor has no objection to the contents of the bill. Insofar as the public's right to know, we will certainly ensure that there are measures taken to provide the public with information as to the expenditures of their sums and, of course, by the very fact that there is mechanism provided, as we had last night, opportunity to review the Estimates and to go over the various projects that have been announced up to this date.

As well, of course, I anticipate that next year we'll be continuing to discuss the various projects in which sums of monies have been allocated towards. We'll give the public and the Members of the Legislature every opportunity to debate and discuss the particular projects funded out of these allocations.

MR. B. RANSOM: Of course, I wouldn't want to confuse the government's announcements and press releases with the actual and proper reporting through public accounts. That's the issue I am raising here is, how it will be reported through public accounts and whether there will be full and adequate reporting? If the First Minister gives me his assurance that this has been discussed with the Provincial Auditor, and the Provincial Auditor has no objection to it, then fine, because we rely extensively on the Provincial Auditor.

I have another question for the First Minister under Section 3(1) . . .

HON. H. PAWLEY: Excuse me, before we leave that point, I am informed that this particular matter was raised, I believe, by the Honourable Member for Turtle Mountain with the Auditor present and that the Auditor did indicate he had no objection to this approach.

MR. B. RANSOM: Is the First Minister telling us then that the government did not take this method, this approach - administrative approach to the auditor for his approval, or his clearance before introducing it?

HON. H. PAWLEY: No, we're indicating that the Auditor did see the bill and also the Auditor has indicated in public forum that he has no objection to this format.

MR. B. RANSOM: Mr. Chairman, have there been regulations drafted under Section 3(1)?

HON. H. PAWLEY: I am not aware of any regulations having been prepared at this point.

MR. B. RANSOM: Mr. Chairman, according to this Section 3(4), "The Minister of Finance on the requisition of the Minister charged by the Lieutenant-Governor-in-Council with responsibility for any program established under Subsection I, may make payments in accordance with the regulations establishing the programs, including payments by way of grants or loans." Is that not the section, to which the First Minister is referring, which allows the government to make payments under this act, without going the way of Orders-in-Council?

HON. H. PAWLEY: Yes, it is.

MR. B. RANSOM: Mr. Chairman, that raises the obvious question of how is this act going to function, in any way, to help the government to get on with job creation and the administration of this fund, when the government hasn't even drafted the regulations under Section 3(1), that are required in order for the Minister of Finance to make payments, which the First Minister has told us are one of the advantages of this act?

The act was introduced months ago into the House. The opposition passed it the very afternoon that the First Minister finally introduced it for first reading or for second reading - I think that was at least six weeks ago. It has sat on the Order Paper ever since and has not been dealt with. We are here, at last, dealing with the bill this morning, and the Minister tells us that he hasn't even drafted the regulations yet, which are required, in order to carry out the only administrative function that might be of some use to the government.

HON. H. PAWLEY: We'll have to take that as notice. The Minister of Labour, whose department is dealing with the regulations, would be preparing same and I do not know whether those have been prepared or not, yet.

I should mention to the member that insofar as the construction projects are concerned, they're all in process of pre-construction and planning, design work, etc.

MR. B. RANSOM: Mr. Chairman, I don't know how the opposition can come to any other conclusion with respect to this Jobs Fund and to this act, that far from gaining the administrative advantage and the planning advantage, which the First Minister speaks about in terms of being able to co-ordinate and target; that there has been anything but that accomplished because the First Minister doesn't seem to understand the act itself. He doesn't seem to understand the function of the regulations. The First Minister doesn't have details as far as funding.

It was evident from questioning the Minister of Finance yesterday that he didn't understand the details of the funding and couldn't explain to us how the \$10 million government employees contribution was going to be used.

The Minister of Labour seems unable, or unwilling, to provide us with information, with details about the numbers of jobs that are expected to be created under this program.

So, Mr. Chairman, the only way, the only reason that we are prepared to co-operate and pass this act promptly, just the same way as we were prepared to pass the appropriation on the Jobs Fund last night, is because of the desperate situation of unemployment in this province. With 52,000 people unemployed, there is a desperate need for people to be employed and we are hopeful that some semblance of organization will flow from this act and from the Jobs Fund, as well. But I must say that the performance of the government, to date, has done nothing to inspire confidence in either the opposition, in their feeling of how the government is handling this whole issue, or on the part of the public.

HON. H. PAWLEY: Mr. Chairman, first I'd like to deal with some of the points that the member made reference to. I clearly indicated to the member that the \$10 million trust fund re MGEA, that there had been no commitment made in respect to those funds yet.

Insofar as questions pertaining to the Jobs Careerstar Program, the Minister indicated that it was very difficult to pin down precisely the number of jobs that would be created, but she did not refuse to provide that information. She took the question as notice and it was subsequent to the supper hour that she had that information and the honourable members received it. They may not be pleased with the way they received the information, but that information was made available to members after the supper hour.

Insofar as the question of organization, I again would like to emphasize to the member that \$131 million, in the space of some three months, had been announced. Important major projects are presently being designed and planned and are in pre-construction stages. For example, only the other day, the Earth Sciences Building was announced.

The Earth Sciences Building will be in a position, by which construction can be started by September - not before September because there is important design and other work that's required. One can proceed through the list item by item. The same would be true in respect to the Fire Training College insofar as Brandon; there will be no actual start-up until August or September because of, again, planning that must be done, by way of architects and others, re design planning.

So what one is dealing with is a number of announcements that are now in pre-construction stages. The work will be proceeded with just as quickly as possible and the very fact that \$131 million worth of projects have already been announced, we're only a little over three months into the fiscal year, plus some \$80-some million of monies levered by way of commitment, particularly from other sources of government, demonstrates the extent of the expedition that has already taken place in regard to this kind of approach.

The honourable member says the opposition is not happy. The heavy construction industry itself has indicated that they prefer this route to the more traditional route of proceeding.

MR. CHAIRMAN: Mr. Steen.

MR. W. STEEN: Mr. Chairman, to the First Minister. He made reference earlier that the purpose of the bill is really twofold; one administratively and one was to protect the MGEA's so-called \$10 million contribution.

On Page 3, the bills says, when the commencement of the act takes place. I'd like to ask the First Minister, how long will this bill stay in force? Does it stay in force as long as the money is there that he speaks of - the so-called \$200 million - or is there a date that the bill is no longer in force, or is this bill going to be reactivated each and every year? Let's say, in the fiscal year next year, that the First Minister and his government proposes a similar program, can it be administered through this bill, or will another bill have to be introduced?

HON. H. PAWLEY: This bill can continue in operation for quite some time, in the same way that the winter works bill that the honourable member will recall was passed in the early 1960s, continued. I would foresee this bill continuing beyond this fiscal year into further fiscal years.

MR. W. STEEN: So, Mr. Chairman, therefore next year we could expect additional dollars to be allocated towards this fund and this bill will administer the expenditure of such dollars.

HON. H. PAWLEY: That would not be an unreasonable assumption. It would depend upon the unemployment situation and the need for measures under this kind of legislation, at that time.

MR. CHAIRMAN: Mr. Ransom.

MR. B. RANSOM: Mr. Chairman, the First Minister has spoken about the announcements that this government has made. We have become accustomed to announcements in the past; I referred last year to how the \$50 million Homes in Manitoba Program was announced at least seven times by the First Minister, and then we were told later on that \$34.8 million of that really was discretionary, the government didn't have to spent it and it was only because of the Jobs Fund that it flowed. Perhaps the First Minister would understand if there is some degree of skepticism on the part of what the government is doing, with respect

to this fund, and exactly what the act is going to accomplish. We don't like the prospect of passing legislation for which there doesn't seem to be a need.

Naturally we have no problem with the government making legitimate efforts to generate jobs in the province, but there has to be some reason for the Legislature to be asked to pass legislation, and so far there really doesn't seem to be much reason for this act, beyond creating a trust fund for the Manitoba Government Employees contribution, which I would have assumed that the employees, and the government, would have wanted to spend that money in a constructive way before the end of the fiscal year, to try and create some jobs to reduce this unprecedented level of unemployment.

Now if the \$131 million has already been committed, of course, it basically leaves a few million of the 10; the Minister says the full 10, all right we'll accept his word. The other \$63 million has to come by way of Loan Act and I don't think that this bill would apply to it at all.

A couple of specific questions then, because the First Minister raised it. He spoke of the Earth Sciences Building at the university, and the Fire College at Brandon. Will this act bear, in any way, upon the flow of funds to, specifically, the Earth Sciences Building and the Fire College?

HON. H. PAWLEY: Those particular monies could flow without this particular bill.

MR. B. RANSOM: That's as I suspected, Mr. Chairman, and I'm sure that if we went through the list of projects we would find that the vast majority of the projects could flow without this bill. The fact that the government has not yet prepared any regulations under Section 3 would indicate that they expect the vast majority of them to flow without this bill.

Now in Section 4(2) the bill refers to money from outside the Consolidated Fund. If I recall correctly, when the First Minister announced this program, the Jobs Fund, he did give some indication that he had quite high hopes that money would be coming into the Jobs Fund . . .

HON. H. PAWLEY: Maybe if the honourable member could just give us a moment on that later question? The Legal Counsel points out that Section 3 deals, not with the major projects, but insofar as those smaller projects are concerned, where there are smaller groups of employees in which payments may have to be made to by way of grants or loans, etc. What we're dealing with under 3 is not the major kind of projects, but the smaller programs involving smaller numbers of employees with small employers themselves.

MR. B. RANSOM: Then how does the bill relate to the major projects? Is the Minister saying that it's only required then for the small incidents, such as, he just described?

HON. H. PAWLEY: On the larger ones we can always do those, by way of grants, by way of Orders-in-Council. It certainly does streamline, insofar as those many areas which do involve smaller groups of employees working for smaller business operations.

MR. B. RANSOM: Well then how would that work? If the Minister hasn't prepared regulations yet, does this indicate that there aren't going to be, not likely to be, circumstances where these smaller number of employees are involved?

HON. H. PAWLEY: There will be regulations that will be prepared insofar as the smaller groups of employees working for smaller business operations to deal with that need as it arises.

MR. B. RANSOM: It seems, Mr. Chairman, that this is one of the main functions of the bill, as explained by the First Minister. The bill itself has been drafted and distributed for weeks; why would the government not have drafted regulations to accompany the act so that the act could be functional?

MR. CHAIRMAN: Ms. Dolin.

HON. M.B. DOLIN: Perhaps, while the First Minister is waiting for his answer there, I can add to the discussion by saying that the role of the Advisory Committee is very much one of working with us to draw up any regulations that might be necessary. I'm sure that honourable members are aware that there is a danger of over-regulating anything. We would not to do that. We need some experience with the projects that have been announced and that are under way now; we need the advice, and seek the advice, of the Advisory Committee in drawing up any regulations that might be needed. In fact, there is, as I understand it, a meeting going on right now with some members of that group.

MR. B. RANSOM: Mr. Chairman, I find that rationale rather unusual, that the government should have created this bill which calls for regulations, and the Minister of Labour now says they must be careful not to over-regulate. As a general statement, of course, that's true, but this bill was put forward as part of the government's response to what they have termed the worst recession in 40 years. Surely it would have made sense then for the government to have gotten their Advisory Committee together, if they wanted to deal with the Advisory Committee, and have drafted regulations to go with this bill. I can't understand why the government would not have wanted this bill to be introduced into the Legislature on a priority basis, passed on a priority basis, have the regulations ready to go so that the government could accomplish some of the things they say they want to do through this bill. Instead the bill has been allowed to languish for weeks and weeks without any delay on the part of the opposition and we arrive at this point in time and the government - here we're three-quarters of the way through June - and the government is still just talking about how they're going to draft the regulations.

MS. M. B. DOLIN: Well, I think that it would have been foolish to try to draw up regulations governing projects about which we had not even received an application. Now I'm sure that the member knows that many of the projects approved have come to our attention through a collective group, maybe a government department,

maybe an agency, maybe a non-profit group, maybe a combination of all of those plus the private sector, there are a lot of different kinds of projects. To draw up regulations in isolation of what is going to be done would not have served any useful purpose to my way of thinking.

The Advisory Committee is, in fact, involved in looking at the projects that are on the books, looking at the future direction, looking at a whole lot of different areas and one of these is whether or not we need regulations, what kind of regulations we do need, if it is determined that we will need them, and proceeding with advising the government on what regulations ought to be in place. This will be done very shortly if, in fact, it is needed and I suspect there may be some - I don't suspect there will be a lot - but that's something that we cannot determine until we look at the kinds of projects we have and the way that they are proceeding.

MR. B. RANSOM: The question I was placing to the First Minister earlier had to do with "Section 4(2) Monies from outside the Consolidated Fund." When the First Minister announced the Jobs Fund and the general thrust he had indicated, I think, with some hopefulness that there would be other employers', employees' outside funds coming into the Jobs Fund. Have there been any other funds dedicated to the Jobs Fund from outside of government, from the private sector? Did the employees of Safeway, for instance, decide to put half a percent of their pay increase into the Jobs Fund the way the Government Employees Association have put money in, or is there any prospect of money from the outside coming into this Fund?

HON. H. PAWLEY: There have been no additional sums of monies that have been directed towards this Fund up to this particular point outside the MGEA fund. So insofar as this particular trust fund no funds outside the particular MGEA fund. There are private funds, of course, that have been directed towards job creation but they have not been directed to the trust fund as such but are proceeding directly towards the project in question. For example, the Western Canada Aviation Museum, they are sizeable sums of monies from private contributors that are proceeding towards the project but they are not proceeding through the trust fund.

MR. B. RANSOM: Does the First Minister have any hope that there will be other funds go into this trust fund?

HON. H. PAWLEY: One always lives in some hope but at this point I could not indicate whether there will be any contribution towards this fund by employers or employees.

MR. CHAIRMAN: Mr. Storie.

MR. J. STORIE: Just a comment, I don't think that we should leave on the record the implication that there aren't things happening despite the act not having been passed because clearly within the act there is authority for other departments to provide the necessary administrative structure to proceed with programs that are approved by the Jobs Fund on their own. So

certainly there are many many things happening apart from the things that need to be regulated by this particular act are regulations that are made under this act.

MR. CHAIRMAN: Ms. Dolin.

MS. M. B. DOLIN: As far as the contributions to the trust fund are concerned I think it should be noted first of all that there have been seven subsequent renegotiations similar to the renegotiation of the MGEA contract. But the key here is that the employer is the contributing party. The employees can agree that one-half percent of their wages should go to the Jobs Fund or a percent or whatever, but they don't have that money. The employer holds that money and unless the employer contributes, then all of the goodwill of the employees is for naught. So it must be negotiated and must be lived up to by the employer.

So far the private sector has not contributed in that sense to this trust fund but it is certainly there should they wish to. We are the direct employer in the MGEA renegotiation and that's obviously why we could put the money in there. We chose to do that.

HON. H. PAWLEY: One additional point that I ought to make that one of the purposes of the advisory committee, which is made up of representatives from labour and from business, representatives from MFL and from Canadian Manufacturers Association and the Chamber of Commerce, is to assist us as to whether or not there indeed can be ways of encouraging further contributions in the future - not necessarily this year - but future years towards a fund from both sectors within the economy.

MR. CHAIRMAN: Mr. Ransom.

MR. B. RANSOM: A question then, has any group of employees asked their employer to make a deduction and contribution on their behalf out of their wage settlement towards the Jobs Fund?

HON. H. PAWLEY: The only groups of employees up to this point have been the Manitoba Government Employees Association and seven other groups that have negotiated with us subsequent.

MR. B. RANSOM: Well the Minister of Labour gave at least a backhanded indication that perhaps this couldn't be done in other cases because it did require the employer to give their approval and that because the employer, in this case the Manitoba Government Employees Association, of course, is the government, but is there any indication then out there that the employers are not co-operating with employees who are anxious to make contributions to the Jobs Fund out of their salary settlements because if that's the case, it certainly should be a matter of public knowledge.

HON. H. PAWLEY: I wouldn't wish to accuse employers or employees of not co-operating at this particular time. It's a question of education, better information and the gradual evolution of thinking. Clearly there are many many instances where this just would be totally

impractical and impossible because of the very low nature of the wage settlements that are involved, it would be totally unreasonable to anticipate there would be any contribution. I would not accuse any group of employers or employees of being non-co-operative at this stage.

MS. M. B. DOLIN: We wouldn't know anyway, we don't sit at their negotiating tables or have access to what they say during negotiations so we really wouldn't know what conversations take place in the private sector negotiations between unions and employers.

I think that you have to take a look too at some of the settlements that have come forward where there have actually been cuts in wages, so you'd hardly have anything to give away if you're taking a cut in salary or a very low, below the cost of living, increase. That is just an assumption on my part, I don't whether discussion took place or not. As I said, we don't sit at those negotiating tables so we don't know whether any suggestion such as this has come forward or not.

MR. B. RANSOM: That's an interesting line of reasoning, Mr. Chairman, that the private sector employees can't afford to make these contributions because their settlements are low. Of course, the other side of that argument is that the only reason the Manitoba Government Employees Association could afford to make this settlement is because their agreement was so high. The Minister of Labour threw out the suggestion that it did require the co-operation of employers to make these contributions and she doesn't know whether there are other groups of people who want to contribute or not. But I just would draw to her attention that this act is set up to allow that kind of contribution and that the First Minister, in making the announcement, gave every indication that he expected that there would be other contributions. Now, it would seem that the First Minister and his government are not pursuing that avenue anymore.

Mr. Chairman, one other thing I would like to put on the record is that I always admire the honesty of the Minister of Housing, because he said in his comments that we should not be under the impression that nothing's happening despite the fact that the act hasn't been passed. That's exactly the point that we've been making for months, Mr. Chairman, is that essentially everything that the government is doing could be done without this act and without the creation of the Jobs Fund. They could simply have gotten down to spending money on projects that would create jobs, and I am pleased that the Minister of Housing sees that those things have been going on.

HON. H. PAWLEY: Mr. Chairman, just a number of points I would like to touch on. There is no question that things are happening and could continue to happen without this legislation. The honourable member has certainly heard my response, and response from legal counsel, that insofar as streamlining the payment of funds, insofar as small employers involving small groups of employees, that this process provided for under The Jobs Fund Act streamlines, expedites that kind of process, reduces the delay and the incumbrances that can occur; (2), as we indicated earlier, and insofar as

contributions, there are many different agencies and commissions that fall outside even the consolidated fund, that negotiations are undertaken with that can make the same kind of contribution to this fund as the Manitoba Government Employees Association and may very well during the course of the fiscal year, and for whom we require the non-lapsing authority that is provided for in respect to the trust fund that is established under this legislation.

I would also like to just touch upon another area because I don't feel it is fair to, in a backhanded way, diminish the commitment that was made by the Manitoba Government Employees Association. I do not know of another instance, and I would be appreciative to honourable members if they could inform me of another instance where a group of employees, through their bargaining agency or union, have a legal binding contract and could very well stick it to their employers by saying we are going to insist upon that legal contract being carried out to the very final day of that contract. Yet, in this particular instance, the employees of the Manitoba Government Employees Association agreed to reopen that contract one year early.

A comment was made, well, they could very well afford to because of the settlement. I want to advise the honourable member, and I wish I had the figures here. I suspect the officials don't have them present, but I can obtain them and table them in the House, that in the quarter, in 1982, in which the agreement was arrived at with the Manitoba Government Employees Association, that the agreement that was arrived at by the government was in line with the negotiations and settlements in respect to groups of 500 and more. It was not out of line; it was in line with the then going settlements that were being arrived at in respect to other negotiations involving larger bargaining units.

I might just mention to the honourable member that there were many two-year contracts besides the Provincial Government contract that was entered into in the spring of 1982. The Manitoba Government Employees Association reopened their contract as a result of discussions with the government in order that over an 18-month period, from April 1 to September 30, we've arrived at approximately a 6 percent cost factor. Not bad. At the same time, there have been other municipalities such as the City of Winnipeg that entered into the second year of their contract on the very same basis, from the understanding that I have, as the Manitoba Government Employees Association had, without reopening their contract and continued to pay their employees 10.3 percent right up until the end of the second year of their contract without any reopening, without any discussions, and also, as I can recall, with a commitment from the head of the city government that there would be no layoffs.

So let's just keep that in mind because I do not feel that we ought to reflect in an unfavourable way in respect to what the MGEA has done, because that has not happened insofar as I know in regard to other employees, whether it be in the private sector or the public sector in the Province of Manitoba, that there are many employee groups that continued on into the second year of their contract without any reopening of contract, without any reducing insofar as the cost factor was concerned to their employer.

I know not - if the honourable member can advise me of some group, I'd be pleased to know - but I do not know of another group, even though other groups received similar kinds of settlements as the MGEA obtained in the spring of '82. I refer specifically to the employees of municipalities, the employees of school divisions; I refer to situations involving the private sector. So I think it all speaks to the wisdom of what was done here, of sitting down with the representatives of the employees, putting our problems on the table, mutually discussing those problems and arriving at what took place here, a \$10 million contribution from the Manitoba Government Employees Association; a commitment they did not have to make, that they could have indeed told us to bugger off, that they had a firm legal contract.

MR. CHAIRMAN: Mr. Storie.

MR. J. STORIE: In response to some of the comments made by the Member for Turtle Mountain - and I never know whether I've been insulted or complimented sometimes when he's finished making his remarks - I want to make it clear that while I did say that we should emphasize that there are many things occurring right now because of what the Jobs Fund did, I also indicate that this bill was necessary. The Premier indicated why it was necessary, because we are accepting money, that money will end up in a trust, and there has to be regulations with respect to its disbursement. We did look forward to contributions from employee groups and from private employers and that this legislation will make that possible and make possible the orderly use of those funds. The contributions that are made by groups like MGEA certainly are not to be downplayed. It's a significant dollar loss to each of the individuals who made that sacrifice.

I think the overriding thing that continues to be ignored by members opposite is that the \$200 million fund exists because the government made a commitment that it should exist. While it's true that some of the things that are being approved through the Jobs Fund are being carried out by various departments, that doesn't belie the fact that there was a very real commitment and a very real review of what it was possible to do in terms of providing infrastructure and material assets, that there was a commitment to do that. We could have said we're not going to spend any of this money; we're going to pull back. We're going to draw back from making a commitment to create jobs, when a drawback from a commitment to try and lever funds from other governments, from municipalities, from private individuals - and that's where the commitment lies - there was no attempt at any point to say that it wasn't so, that there was an allocated capital being put into the fund. What it said was that there was still a commitment to do that, and with a \$200 million commitment, and it's real, and The Jobs Fund Act is to provide authority to spend additional funds that were going to be provided by employee groups or whatever. So that's the fact of the matter, but just because I have said that the departments can carry out some of the mandate under the Jobs Fund, and it's approved by the Jobs Fund Board, doesn't mean that it's not a significant factor, a significant commitment.

MR. CHAIRMAN: Mr. Ransom.

MR. B. RANSOM: Mr. Chairman, I'm not going to debate the Jobs Fund here any further. We're going to try and save the government from their own filibustering of the bill, as they did on the appropriation last night. I'll refrain from debating with the First Minister on the Manitoba Government Employees Association settlement, because I don't think debate on the bill is the place to deal with that. — (Interjection) — Well, I didn't make the first reference to it, Mr. Chairman. The First Minister created the reasoning by his comment concerning the private sector settlements.

It will become evident to the Minister of Housing, as time passes, exactly what has taken place with respect

to the shifting of funds within the Jobs Fund. Because it isn't going to accomplish the purpose that he thinks it's going to accomplish. There's no point in debating the issue any further, from my point of view. We'll let the results speak for themselves when the final counts are in.

MR. CHAIRMAN: Page-by-page? Page 1—pass; Page 2—pass; Page 3—pass; Preamble—pass; Title—pass; Bill be reported—pass.

That completes the business of the Industrial Relations Committee for today.

Committee rise.



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