

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 26 March, 1981

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY — COMMUNITY SERVICES
AND CORRECTIONS

MR. CHAIRMAN, Morris MacGregor (Virden): I call the Committee to order. Community and Corrections, Page 26, I believe when we left off at 4:30 we were 5.(b)(2) . . .

MR. LAURENT L. DESJARDINS (St. Boniface): Or (b)(1) weren't you going to get us information on (b)(1) in the institution in Portage. You are asking for what, 14 more? That's all in Portage.

MR. CHAIRMAN: The Honourable Minister.

HON. GEORGE MINAKER (St. James): Mr. Chairman, I believe I gave the information to the Honourable Member for Transcona just as we adjourning, and indicated to him that the population for the school in December 31, 1980 was 828 and I asked the honourable member, when I saw him in the House after the Committee adjourned, if he wanted any further information. He said that was satisfactory. I believe it works out to about \$47.00 per diem.

MR. DESJARDINS: Oh, that's in Portage.

MR. MINAKER: Yes. That was the question he had raised, he wanted to know the comparable cost.

MR. DESJARDINS: Mr. Chairman, how many inmates do you have in Portage now? Residents or inmates or whatever.

MR. MINAKER: Residents in Portage now are 828, as compared to 854 last year. It has gone down continually since 1975. It has gone down since 1975, continually gone down.

MR. DESJARDINS: Okay, fine.

MR. CHAIRMAN: 5.(b)(2) — pass; 5.(b)(3) — pass — the Member for St. Boniface.

MR. DESJARDINS: What is the per diem now at St. Amant Centre, compared to last year.

MR. MINAKER: Last year the per diem rate at St. Amant was \$50.44 per diem and for the Day Care Program the rate was \$22.95. This year the per diem rate is \$55.25 and for the Day Care Program \$25.30, and I'd say the increase in the cost of the operating at the St. Amant Centre programs in the amount of \$846,700 and results in the short-fall of the 1980-81 budget of \$142,800; and the price increase, an 11 percent increase, of \$674,300 and a workload change of an additional staff to provide for holiday relief of \$29,600 to give the difference.

MR. DESJARDINS: The Dental Program that you have there for Special Needs and so on, they were

taking people from outside the institution, it was a, I don't remember the name, but a very dedicated dentist; is he still there doing that work? Would that be covered under this here or would it be under a Dental Program? I want to know if we're still fortunate enough to have that dentist, I don't recall his name, but he was fantastic? It's in Health?

MR. MINAKER: Mr. Chairman, I've been advised that the cost of the Dental Program is under the Health portion of it.

MR. DESJARDINS: Excuse me, Mr. Chairman, can the Minister, or his Deputy Minister, remember if that dentist that I mentioned, is he still there?

MR. MINAKER: Mr. Chairman, when I visited St. Amant last summer the gentleman was there. I can't verify that he is still there this year or not.

MR. CHAIRMAN: 5 (b)(3) — pass; 5 (c)(1) — pass; 5 (c). The Member for St. Johns.

MR. SAUL CHERNIACK: I don't know if the Minister has given a breakdown of the SMYs in this small grouping and I wonder if I could just hear it as related to the tasks they perform. How many all together? I just want to clarify; I would like to know how they divide up their responsibilities?

MR. MINAKER: Mr. Chairman, the Central Directorate has a staff component of 10.5 SMYs. We have the Director, the Psychologist, three Program Consultants, one volunteer Co-ordinator and a Support Staff; and they're responsible for administering the funds for the purchase of services, establishing standards, monitoring program delivery, developing and supervising regional staff, co-ordinating government and private agency programs and maintaining a central registry of disabled persons. The two additional staff consist of a volunteer co-ordinator to expand services through assistance from volunteers and an administrative officer who will co-ordinate financial reporting and data system.

MR. CHAIRMAN: 5.(b)(3) — pass; 5.(c)(1) — pass; 5.(c)(2) — pass; 5.(c)(3) — pass — the Member for Seven Oaks.

MR. SAUL A. MILLER: I wonder, Mr. Chairman, could you get the details on this Financial Assistance to clients? When you say "clients", do you mean the individuals or do you mean the organizations or what?

MR. MINAKER: Mr. Chairman, the dollars cover basically the 900 disabled persons attending the 21 Occupational Activity Centres and these include a monthly fee of \$100.00 for each disabled person and we have now increased this to \$110.00. In addition we have added, based on a recommendation of the CAMR and our concern that we would like to have some type of a maintenance grant, that we have added a \$5,000 maintenance grant to each centre in

the 1981-82 budget, for a total of \$105,000.00. The centres will then be able to use that money in the way that they see fit.

It was recommended that we look at a possibility of \$15,000 per centre. We are trying to reach that objective over a period of three years.

MR. MILLER: Is the Optimist House operating?

MR. MINAKER: It is my understanding, Mr. Chairman, that it is, yes.

MR. MILLER: Can the Minister tell us whether he feels that the additional per diems that are now being paid, are adequate for them to function properly because they can't really exist on their sales — the are minimal — they can never really make money on it or even break even. I gather the sales represent about 39 percent of their income but I don't know if they will ever achieve more than that.

Is the Minister satisfied that they can function adequately with the support that he's just indicated?

MR. MINAKER: Mr. Chairman, as I indicated earlier this afternoon when the question was raised, had the particular appropriation been underexpended, I indicated that we had looked at the Occupational Activity Centres and found that three had been in deficits, out of the 21. We feel that with the 10 percent increase, or a little more than 10 percent increase that we are giving the centres this year along with the \$5,000 maintenance grant, we feel that the majority, if not all of the centres, should be able to satisfy their requirements this year.

I believe the approximate figures I had looked at a few months ago were that about 45 percent of the funding, on an average, came from sales, the community donations and activities; and the remainder, the 55 percent, came from government financing and that is sort of an average across-the-board. They varied slightly from centre to centre.

MR. MILLER: My concern is the two or three that the Minister mentions might not be able to make it with the \$5,000, and can we really expect them to depend again on the community at large or from their sales? They are providing a service which no one else provides and it doesn't make sense to treat them as other kinds of agencies or organizations and simply say, well, you've got to make it on your budget and if you don't, you're in a deficit, because once they are in a deficit position they can never catch up; there is no way they can catch up. It's a paper deficit. They are into the bank, perhaps. Somebody has gone good for it. I guess somebody on the board has put their name on it, but the fact is they can never recover their deficit except through increased grants from the province; and although the Minister says he's now sort of recognized this by increasing the grant somewhat, shouldn't the Minister be thinking in terms of eliminating the deficit and saying all right start afresh, the per diem is increased, and now see how it goes, rather than have a deficit carrying on from year to year even though it may be somewhat smaller than the previous year.

MR. MINAKER: Mr. Chairman, I recognize what the honourable member is saying, and the three

particular centres that did have a deficit this year, it was an accumulative deficit over a two to three year period which we have now cleaned off the board, if you want to call it, and they are starting fresh, all 21, that I am aware of, and that we obviously would look at each one from year to year. But we anticipate that this increase, along with the maintenance grant, particularly will help out the smaller centres who seem to be the ones that might have the difficulty, and we feel that impact of the \$5,000, while it doesn't seem a lot in many of our minds, will help the smaller centres that have had some problems. But we will definitely look at them at the end of the year and try and keep them above board and in the black.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Is there Federal moneys cost-shareable in this program, in this line (c)(3) Financial Assistance to clients? Is that under VRDP?

MR. MINAKER: Yes, Mr. Chairman, it is, and I believe it is approximately \$2.7 million. I might say that in addition to . . .

MR. DESJARDINS: Excuse me, all under (3)?

MR. MILLER: All under (c)(3)?

MR. DESJARDINS: We know, we have the amount here, \$2,746.

MR. MINAKER: (3) and (4). I might say that also, in addition to that, we provide transportation costs for the clients to travel from their residence to the Occupational Activity Centres. That is not handled by the Occupational Activity Centre, which I am sure the honourable member remembers.

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

MR. CHERNIACK: Mr. Chairman, the Minister will have to recognize that when he talks to my other two colleagues they have a lot of background knowledge that I don't have, so I start from further back, and I am trying to understand what the Minister said when he said that we're giving, I think he said we're giving \$5,000 now; we are aiming towards \$15,000.00. Did he say that you are planning gradually to get up to \$15,000.00?

MR. MINAKER: Mr. Chairman, that is my personal objective. It was recommended by one of the associations that we should look at providing approximately \$15,000 towards a general maintenance grant that the Centre could have to utilize at their own discretion. What the present financing method is which, I guess, has been in existence for many years, is that we provide so many dollars per month per client, and this is the \$110 figure. If you had an example of an Occupational Activity Centre with 30 clients, they would receive \$3,000 per month under the old system, and we have now increased that by \$10 so they would now get \$3,300 per month. But in addition to that we have now injected \$5,000, which the Centre can utilize the way they see fit in the best interest of the Centre. That grant was not available prior to this year.

MR. CHERNIACK: Mr. Chairman, if \$15,000 is right, then what's the justification for giving less than \$15,000.00?

MR. MINAKER: Mr. Chairman, this year, as the honourable member probably remembers, there were many requests for new services by CAMR and other interested people in the mentally retarded field. We have tried to satisfy many of those requests, which we have done by adding approximately \$605,000 worth of new programs, above and beyond the normal growth of the 10 percent or 11 percent increase, or whatever is required to satisfy the requirements of existing agencies; made up of the \$5,000 for the 21 agencies, would represent \$105,000 of new money. We have other programs related to apartment living, independent apartment living and so on.

MR. CHERNIACK: Mr. Chairman, if the \$15,000 is an enrichment, that's one thing; if it's needed, that's another thing. So what is the difference; what is the impact on the recipients of this service by the fact that they are getting \$5,000 and not \$15,000.00? What is the difference in their style of life or the quality of the service they get?

MR. MINAKER: Mr. Chairman, nobody said that \$15,000 was needed; it was recommended by an association, that they felt that's what should be given.

MR. CHERNIACK: Mr. Chairman, the Minister agrees with it though; there's the difference. He says it's his personal objective to get to \$15,000, so it means that not only did they ask for it but he has judged it and found that the party's agreeing to it, unless I misunderstood him. I'll give him a chance to back away if he wants to.

MR. MINAKER: I agreed that I thought that in approximately three year's time that \$15,000 would be a reasonable figure.

MR. CHERNIACK: Is that based on the inflationary trend for the next three years? Really, I want to understand why, if \$15,000 is right, why is it right three years from now and not now; or how can you be sure it will be right three years from now, looking ahead that way? None of us have, as far as I know, that crystal ball.

MR. MINAKER: Mr. Chairman, I don't know whether I am right or not and I'll have to analyze it each year. Maybe it might be more than \$15,000, or it could be less.

MR. CHERNIACK: Right now \$5,000 is enough, in the Minister's opinion?

MR. MINAKER: In my opinion, yes.

MR. CHERNIACK: I have to assume that \$15,000 is just some kind of a vague number to look at from year to year, that it could be \$12,000, it could be \$4,000, it could be anything and that it isn't a planned program that assures anybody that it will be \$15,000 in three years. Is that a correct assumption?

MR. MINAKER: Mr. Chairman, I can't completely answer that because one other reason that I am

hesitant to go immediately to \$15,000 is the fact that, as the honourable member is aware, we have a Task Force on Mental Retardation that is presently gathering data for us to look at what would be recommended or is felt is required in the next years to come in Manitoba. It may well be that they make recommendations contrary to this decision, I don't know at this time.

The other thing that I have recognized as we get to Section 4 in the Estimates, that we have recognized the Manitoba Council of Rehabilitation Workshops, who represent the workshops from which the vocational rehabilitation services purchase service for disabled persons. We hope that this council will help to evaluate the present programs, make adjustments to training and other activities and I would expect that they will come back to us with recommendations as well. So in the interim period, we feel that the \$5,000 additional money that is not tied directly to the client attendance and space, will be useful to the majority of the centres. Obviously, it will be more useful to those with the smaller numbers of clients.

MR. CHERNIACK: Has anybody received any assurance that the plan is to go to \$15,000 in three years?

MR. MINAKER: I think the honourable member recognizes that it is very difficult to give an assurance from year to year, he knows when he was Minister of Finance, that the Minister of any department has to come before Treasury Board, which is normally chaired by the Minister of Finance, and he has to get the approval of the Treasury Board and Cabinet on each item on a year-by-year basis.

MR. CHERNIACK: I have to tell this Minister that I have known Minister who didn't wait, that made announcements and commitments in their time.

MR. MINAKER: I am not that type.

MR. CHERNIACK: Well, good for you. But when I say that, I don't mean our Ministers alone; I mean Ministers of any type. —(Interjection)— You just got some advice.

MR. MINAKER: I have not made that type of approach or decision on this particular subject.

MR. CHERNIACK: The reason I raised it, Mr. Chairman, is that I have not forgotten the debate we had today — a one-sided debate — where there was an arbitrary decision made that in the school divisions they would be limited to a certain percentage related to inflation and if one school division wanted to upgrade its services to measure up to, or to warrant others, because its service or its program was not sufficiently adequate, they were told that's too bad; it's too rich for your blood.

I wanted to know whether this Minister was just gradually trying to achieve what he thinks is right, because he has been blocked — but I'm not going to find that out, that's obvious, so I'll move on to ask again — the Member for Seven Oaks asked whether these were individuals or organizations. I know the Minister talked about a \$100,000 and some, but I really thought when it said clients it meant

individuals, and now I'm beginning to think it doesn't mean individuals, that is, Item 3, the \$2.5 million.

MR. MINAKER: Mr. Chairman, that \$100.00 or \$110.00 per space or client is paid to the organization that runs the particular Occupational Activity Centres. The individual clients who attend the centre in the majority of cases would be in receipt of Social Allowance for their own particular care and looking after. The \$5,000 per Occupational Activity Centre is paid again to the centre; they are all non-profit operations.

MR. CHERNIACK: So when it says "clients", it doesn't really mean that clients get it. What it means is that, related to the number of clients, an organization gets it, and that the individuals don't get it at all. It's just the organization which sponsors or runs the program that gets it, related on a per client basis.

MR. MINAKER: Mr. Chairman, that is correct. In some centres where they have contracts with various industries they do pay a small salary to the persons providing that service, and they would receive a salary from the centre, but that is decided on by the board that runs the centre.

MR. CHERNIACK: The reason I say that is that it seems odd to me that it would be a flat \$110, regardless to the budget of the organization, which may be one that looks after 20 people or 100 people, and the difference in the nature of the program really would determine, I think, a difference of the needs per capita. Just a flat payment like this, to me, is somewhat odd, I must say.

MR. MINAKER: Mr. Chairman, it has been going on for some seven or eight years I believe. Back seven years ago it was \$40 per client, then it went to \$65, then it went to \$80, then it went to \$90, last year it went to \$100 and this year it's gone to \$110, so it has been sort of a basic policy and program that has been out there. That is why I said that the \$5,000 in Maintenance Grants will help the smaller centres greater than it will help the larger ones. I might say the larger ones are normally not doing too badly because they're located in larger centres and have more access to work that they can provide in that particular community.

MR. CHERNIACK: Mr. Chairman, I had the impression that this government was a proponent of the idea of zero budgeting and that one should not go back seven years and say, well, that's what we had; what shall we do with it now, but start from scratch? Did the Minister evaluate this program when he took over this department and say, this is a correct way to deal with this, or does he just follow it because the fine New Democratic Ministers established it and he accepts it as being right?

I want the Minister to realize that I know that he's not been in this department that long that he will have evaluated every program. I'm just suggesting, and I don't know that I'm really challenging to answer the question, I'm just suggesting that it's a poor argument, in my mind, to say well it's been going on for seven, eight years and has been increasing year by year. I would hope that in time, if

the Minister has that much time, that he'll review this. I'm assuming he didn't yet; if he did then, by all means, I'd like to hear about it.

MR. MINAKER: Mr. Chairman, I was in error. I have to apologize to the Honourable Member for St. Johns, that the program has been in actual existence since the early '60s, and that I did review the program this year when we were going over the Estimates because I was concerned that there was possibilities of certain centres being in the deficit. There were three. I might say that two of them were not major deficits, out of the 21 centres, so I thought the system seems to be a sensible type of system and keeps the volunteer activity going within the community where they operate, by not funding them completely and fully by government funding.

So I think it's a good system and I won't comment for the other members here in the Committee that were Ministers, but it is obvious that they thought it wasn't too bad a system, because they didn't make any great revisions to it.

MR. CHERNIACK: The other question dealing with volunteer agencies is whether their budgets are reviewed as carefully as, let us say, the United Way would be reviewing budgets; and their programs assessed and reviewed to an extent where they can be done adequately by eight or ten people in the entire review process.

I mention that by saying that I have the impression that when your government wound up the old management committee, which was a terrible burden for Ministers to have to deal with when the NDP had it — I think management was started by the previous Conservative government — there was always a tug of war actually. I think that's not a bad description of what went on between certain Ministers and certain management committee personnel, also Ministers, to try to prove out every program. Now that you're into a Treasury Board system I'm not sure whether there is the same opportunity for review by the, I guess it's sort of an adversary system that developed with management committee, where it had its own expertise that looked over these programs. Would you say that the review of this process now is mostly internal, or is it external the way I describe it was when there was a management committee review?

MR. MINAKER: Mr. Chairman, I'm not too sure what the honourable member's definition of internal is. I can tell the honourable member that our process — I've never worked under the management committee process — under the present process we receive our budgets from the internal departments that are our responsibility. We review them, and they answer to why they want new programs there; I make certain decisions with the Deputy Minister and other advisers; we then go to the Treasury Board where we are scrutinized very carefully — and I think the honourable member to your left there will verify that, who is a member of the Treasury Board — that doesn't necessarily pass at that point. We have to come back again to review, and then again it's reviewed by Cabinet several times, so that I think what has happened probably, is that the Treasury Board has replaced the management committee, but the scrutiny is still there. As far as before it even gets to our office, the external agency department

has gone over it very carefully and dealt with the particular agencies as well, in the same way they did under the old system.

MR. CHERNIACK: Mr. Chairman, the only difference I want to accentuate, as I understand it, is that Treasury Board consists of Ministers only; that's my impression. —(Interjection)— Yes, of course, he's the secretary. That's where there's a big difference, because under the old management board that was established by the — I think it was the Roblin government, if not the Weir government — was one where there was actually staff. Are they program reviewers? Are they people who look at the program? Do you get an actual, what we could term "an objective" evaluation of the program itself and they want to recall PBS or PBBS or something like that, review of the program initially and see what the results are in relation to it.

MR. MINAKER: The honourable member has described it pretty well what happens. They do have staff that do review the programs and so forth, then provide information to us in addition to our own internal staff.

MR. CHERNIACK: The reason I ask it, Mr. Chairman, is that it seems to me that this is a pretty small group of people, although they are handling a total of \$6.5 million or \$7.5 million, that doesn't mean that they are responsible for the serving of it but rather the review of it and I assume that the Minister got the extra two because he needed them.

MR. MINAKER: Mr. Chairman, in addition to this particular staff, we have the External Agencies staff as well which Joe Cels heads up, that looks at these particular requests, reviews the budgets and makes recommendations to us. So there is off to one side this other department that reviews, in the manner that they did for the past number of years.

MR. CHAIRMAN: 5.(c)(3) — pass; 5.(c)(4) — pass — the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I see here in (4) that you have the Council of Rehab Workshop, that's something new. That's what you were referring to a while ago that might be evaluation. They oversee the whole thing more or less and make recommendation to the Minister. They work with these agencies and then would Joe Cels or what?

MR. MINAKER: No, Mr. Chairman, they will provide information and recommendations to Joe Cels but they do not review the individual budgets or . . .

MR. DESJARDINS: No, but they work with them, the external agencies?

MR. MINAKER: They work with their vocational rehabilitation people and make recommendations and sort of are a pipeline to us from, you might say, the administration and working level. We have CAMR out there working and we also have these people who are directly involved in the workshop operations and they have formed this council and we recognize that they could be valuable to us and we recognized that by giving them \$22,000 this year.

MR. DESJARDINS: Where is the grant from for CAMR, where is that figure?

MR. MINAKER: It was \$90,500 if I remember correctly back in, it's either (1) or (2).

MR. DESJARDINS: Oh, yes, from \$85.5 to \$90.1, right. Mr. Chairman, what is the reasons that ARM Industries has gone down practically half in their grant?

MR. MINAKER: Mr. Chairman, if the honourable member remembers that ARM Industries experienced a bad year last year with ordering bad lumber and getting caught with — I guess it was overstocked in material, etc., — and ended up with approximately \$190,000 accumulated loss over about a year-and-a-half. Last year's money includes that special one-time grant of \$190,000 to bail them out. Actually it was 225, I'm sorry. We gave them an additional \$25,000 badly needed capital for equipment in the back shop to keep the thing operating and that is the reason why it has gone down. Otherwise, from a year-by-year operating basis, it's gone ahead.

MR. CHAIRMAN: 5.(c)(4) — pass; 5.(d)(1) — pass — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, we had the opportunity the other day to talk about people who have problems that are of a multiproblem nature and I understood the Minister to say that there would be one person responsible for directing — is the term client — to the various support services that are needed, I think we agreed that was advisable. I understood the Minister to say that the vocational rehabilitative officer would be the one that would take charge. Now, is that right and is that in this branch that this takes place as compared with Social Security personnel?

MR. MINAKER: Mr. Chairman, as I indicated the other day to the honourable member, it would depend on the individual who has the problem or situation, on whether he or she was mentally retarded, mentally ill or physically disabled, on who the individual would be referred to. Probably initially, if it was a financial problem, they would go to income security and at that point in time after discussion and counselling they would be referred possibly to this department.

Now this department does not deal with mentally retarded citizens. This deals with those particular citizens who have difficulty in obtaining or holding employment either due to their social, or cultural, or vocational handicaps. It includes funds for the work activity projects that we have at Brandon, Portage la Prairie, Dauphin and Winnipeg and we are now proposing to locate one in the Gimli area.

MR. CHERNIACK: On the other occasion, Mr. Chairman, I talked about the desirability of what I called one-stop shopping — I think there is a much better term and it doesn't come quickly to my mind — but the desirability of that person involved knowing that there was one governmental person that would be responsible to see to it that all the various services within the department would be

made available to this person. I was afraid — that's how it came up the other night — I was afraid that especially with Health taking over some of the functions that there could be a splitting up or a division where somebody might fall between a couple of chairs and that's why I want to explore a little more carefully my concern, and whether or not I am now entitled to say to people who call me — and I do get a number of calls — who is the person directly responsible for all your dealings with the Department of Community Services and Corrections? I have not had that answer in the past. I've had the name of one person and then a name of another person, one being a financial adviser, the other being a social worker.

MR. MINAKER: The one person responsible for the complete operation in any region is the Regional Director.

MR. CHERNIACK: Oh.

MR. MINAKER: And he is responsible for all of the particular services that come under the Regional Delivery Service and that's a multitude — it could be Child Welfare, it could be Mental Health, Mental Retardation, Vocational Rehabilitation — you name it.

MR. CHERNIACK: I have a question, Mr. Chairman. I find it hard to believe that a Regional Director — and I assume there aren't very many of them — would have all the files and would have the direct relationship with that particular individual. I assume that Regional Director has enough to do to monitor the entire operation. For example, how many staff persons come under the directorship of the Regional Director; there must be quite a few. Although I recognize that in the end it is the Minister himself who is responsible, I want to know to whom does that person relate?

MR. MINAKER: Mr. Chairman, the regional director has a team co-ordinator that reports to him, has the different people that we just described, that an individual might become involved with reports to that team co-ordinator who in turn reports to the regional director. If the honourable member wishes to know the numbers of employees that we have that the regional director reports to it was under Section 9(3) and I don't know whether he wants to know; under the Winnipeg region we've got 277; under Westman 91; Eastman 60.5; Central 55; Interlake 69.5; Parklands 70; Norman 48; Thompson 47; for a total of 718 and then we have Northern Home Economics that are separate. With regard to the team coordinator or the team leader we have: in Winnipeg 7; Parklands we have 1; Norman we have 2; Thompson we have 1; for a total of 10. Those were detailed under the Section 9(3) which we have already covered.

MR. CHERNIACK: I am still trying the picture of how a person who needs the services of this department finds his or her way through the labyrinth of all the different skills. If we can picture a hypothetical case of somebody, and it's not unusual, who needs economic help, budgeting help, public health help, home economics help, vocational

rehabilitation and may have a child or two with problems and employment problems, and maybe mental health problems; my question is does that person go to a known indicated flagged individual with all his or her problems and says now here, my kid didn't go to school today and the next day he comes along and says, I lost my job or I ran out of money, is there that one-stop operation or not? I have to tell the Minister it is my impression that it does not exist. It is my impression that he is referred to whatever specialist there is at any one time and then doesn't know where to turn the next time around; that's my impression. I want to know whether my impression is correct and have the Minister justify it or whether, indeed, there is what I would consider the ideal, that is one person responsible for that case, carrying that file, and directing them around; maybe I can compare it to a medical clinic where there is one doctor responsible but he then refers the patient to whatever doctors that provide the service. I wonder if you understand what I would like to see and accept the fact that I don't think it exists and tell me where you are at in that case.

MR. MINAKER: Mr. Chairman, what happens, normally there will be one predominant problem that creates the situation why the individual comes to the particular centre or region office to have help. And when the case worker who reviews the situation with that client or citizen then takes it to the team co-ordinator and they decide who is the person to deal with that individual. If it's a rehabilitation problem, this is a key problem, then they go to that particular worker. If it's a financial problem then obviously they end up going to the income security officer. So, one cannot assume that there are five different problems related to one individual necessarily that comes for help. It could happen but in the most cases it is one predominant problem that happens or two or three and the team co-ordinator then directs the priorities of how that person will be served.

MR. CHERNIACK: You know I don't even accept the thought of a predominant problem. I might say most urgent problem or the emergency. It may well be that the emergency is not having any groceries but the real problem, as in the case I described, may well be the need for vocational rehabilitation so that that No. 1 problem which brings them into your door is not necessarily the most important. I also am inclined, and I am not professional in that field and I have been around a long time and some say too long a time, that most times there is more than one problem. What I learn when I get these phone calls is that they'll know the name of one person and then they'll say, oh yes, there's another person in the same office who handles another aspect of it and they have both names and they really don't know. And I, as the person they come to, what we call euphemistically the Ombudsman, have to try and find out. And you know, Mr. Chairman, I have to tell the Minister that several times I've had to go to one source only and that seems to be a burden placed on one person. So, where are we at with this? I mean, are we aiming at what I think is right or am I wrong in my concept of how it should be?

MR. CHAIRMAN: The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, isn't it the case that there is a case worker and they work as a team and they ask the case worker; isn't that the responsibility of the case worker. And if you have the name of one by contacting, is that the way it works? Is it working that way? Apparently, Mr. Cherniack doesn't feel that it's working with some of his people, there's something wrong. But that was the intent of the single unit delivery.

MR. MINAKER: Mr. Chairman, my understanding and the way that I am advised it works is that the case worker, which the Honourable Member from St. Boniface indicates has his interview with the particular individual, they work with the team co-ordinator and have team meetings to discuss cases and decide where and who is the best person to serve that individual.

MR. CHERNIACK: That presupposes what the Minister said earlier, that there is one problem; that presupposes that most people who come into the office have a problem which the team co-ordinator decides should be channelled to this or the other specialist and that person deals with it until they discover another problem. I want you to tell me I'm wrong in my concept, and you know, then I'll stop talking about it. Either I'm wrong in my concept or if I'm right then you should be aiming towards doing it. If you say you can't do it yet, you don't have the personnel or whatever, I may not agree but I would have to accept that. When we, as MLAs, and I can't be the only one that gets calls, I should think in this field just about all of us get calls. I find that the person talking to me does not have the name of one particular person. Now let's get back to that case I mentioned the other day. You asked me for the name of the person so you could get your side of it and I think you now have your side of it.

But what I found when I called back the following morning, having raised it with you and told you I felt I wasn't ready to deal with it, I called that person and he said everything is wonderful, I've got everything I needed, I've been provided with all my needs. But, Mr. Chairman, . . .

MR. MINAKER: I never requested it.

MR. CHERNIACK: No I did.

MR. MINAKER: Do you know how the system works?

MR. CHERNIACK: Oh that's the problem. The system works when that person knows whom to call and when he calls an MLA he usually gets pretty good service. Unfortunately that's the case.

MR. MINAKER: Can I ask the honourable member how many calls he's had this year with cases relating to problems dealing with the Regional Delivery System?

MR. CHERNIACK: Not many, not many.

MR. MINAKER: So it must be working.

MR. CHERNIACK: Oh no, oh, Mr. Chairman, the Minister is so naive. We're talking now about people

who really don't know how to talk for themselves to the largest extent I believe. I'd like him to correct me again if I'm wrong but I believe that they are people who get pushed around by society and by the time they end up in your offices they're already pretty depressed, pretty unsure of themselves — now I know there's some professional people — but every Minister I've heard of, Conservative or NDP, has said that we have a very very small percentage of professionals who are — what's the term — freeloaders, that most people are in need. I believe that when they're in need they've already been beaten pretty badly and don't know their way around. I think the ones that call their MLAs are the ones who've already learned something about the system and know if they can't crack it in the normal way they go through the MLA to do it. So I disagree with the Minister and I don't know whether he was serious when he said that it must be working well if I don't get that many calls, because if I cut off my phone I'll get no calls.

MR. MINAKER: Mr. Chairman, I said the system must be working pretty reasonable if the honourable member hasn't had too many calls because he's implying that it is a rotten system with a few calls and now I don't think it is a bad system. I can answer his earlier question with regard to when someone goes for help and the social worker then goes to the team co-ordinator, they might refer the individual to three or four people. It could be the public health nurse, it could be the social worker, it could be the mental health worker, so it depends on the situation. So you could have two or three people that they're dealing with when they're panelled. That's why say I can't answer how it'll work for each individual. Each individual isn't the same, let's face it.

MR. CHERNIACK: I want to make it clear, Mr. Chairman, I do not have criticism. I would never have said it's a rotten system. I think it's pretty good. Nevertheless that doesn't mean it can't be better or that it can't be run more smoothly and I'm not sure that it runs that smoothly, that's my point. I think that the people get served and I think well and I think that we should not be ashamed of the system we have in Manitoba as far as I see it.

But, I still see people who are delayed in the provision of services because I think there isn't that one person they relate to. If they relate to three people, I don't think they really know which problem to take to which of the three people and they also, and the Minister should know this, and when we come to the next item over the page I'm going to start talking about what I euphemistically again, would call the black hole of Main Street. You try to phone that department right now since the fire and it's two months now or something like that, and you find they don't have phones; you find that they answer you and they say well, we're sorry this and this worker doesn't have a phone there so you'll have to leave a message to be called back. I'm a pretty persistent person, I can get through. But somebody who tried to get through to that north branch and didn't have the courage to insist, was in trouble and that's temporary, I appreciate that.

But I'm trying to tell you that I believe many of these people don't know their way around. When I called, this particular case that we discussed the

other day, the following morning and he said life is wonderful, and he got money for all his needs, I then said well now, has somebody prepared a budget for you? He says, you know Mrs. Somebody or other — I don't remember her name but that's not important — came to see me and I didn't know that I had a financial advisor. I don't know whether he had her before or not but he just learned recently that he had that financial advisor who was the third name that I was given by him. I still have not heard that there is a vocational rehabilitation officer because I asked him whether they did any discussion yet about going to work. He said it would have to be very light work. That was his immediate warning to me. If it's going to be work it has to be very light work. I then suggested that he seemed to me, capable of doing something and he was —(Interjection) he didn't hang up but he sort of removed himself spiritually from the conversation. That's why I feel that he hasn't yet had that experience which I think is probably one of the first things he ought to be involved in. — (Interjection)— I hear my colleague from St. Boniface saying you can't force him. I'm not sure, I'm really not sure, because a 23 year old person who has the ability to find me, to talk to me, and then to start getting certain services, should be able to handle some kind of work. I wouldn't starve him but I would certainly make it clear that he has to do something but then we have to make sure that's really what we're on right now, that he has certain opportunities made available to him for a vocation and for a very specialized kind obviously, he would need that.

I understand that he's been boarded, that it's temporary, he's got to prove himself as to whether or not he's entitled to continue to get the services. I'm not in any way displeased with what has been done in his case. I want some kind of an assurance that if he didn't know how to reach me what would have happened to him — not that I solved all his problems, I don't pretend that — but would he have one person eventually? Would there be a team co-ordinator who would look at all the various reports coming from, I suppose, each of these people and say well now, he needs some kind of special something or other, let's get him in?

MR. CHAIRMAN: The Honourable Minister. 5.(d) — the Member for St. Boniface.

MR. DESJARDINS: Could the answer be — I believe in the system — but could the answer be that I'm told by a colleague here that fine this might happen, but he needs the public health nurse, he might see her three or four weeks after. Could it be that the workload is too heavy for these people? Could that be the answer? They know, they've gone through this exercise, the case worker brought it to the co-ordinator and they've studied the case and they know what to do but they can't get to that person fast enough? Could that be a possibility? The system might be well set up and all that but if you haven't got the staff, even if they know what they're supposed to do if they can't do it because of a shortage of staff or too heavy a workload or something, could that be the case?

MR. MINAKER: Mr. Chairman, as the honourable member recalls the other night that I indicated we have 24 new staff man years in that particular

department that we're talking about at the present time, Regional Delivery Services. That would be 9(3) if I remember correctly.

MR. DESJARDINS: . . . maybe that was the case. They were overworked, that's why you're asking for 24, so that could be the answer then.

MR. MINAKER: I was provided with certain information on the individual as the honourable member indicated that I probably was aware of. I did not request that information, it came to me, and if the honourable members wishes to see what developed prior to his raising the issue here at the committee, I can show him afterwards if he likes to have a look at what did actually happen. In my opinion, I think the individual was well served.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: I can assure you, the individual knows that he was well served.

MR. MINAKER: What I'm saying is that this was taking place prior to you raising it here at this time. The honourable member might have a better understanding of the case when he sees what did develop but I didn't want to go into details on it; you can understand why.

MR. CHERNIACK: Mr. Chairman, I appreciate the Minister honouring the confidentiality of that case and I accept that and I have to tell him that I didn't raise the case here first, I raised it elsewhere first. I was going to move towards what the Member for Seven Oaks said, I wanted to know what is the optimum caseload and what is the caseload? — (Interjection)— Well, for each of your workers.

MR. MINAKER: You mean in Section 9(3)?

MR. DESJARDINS: The workers dealing with these people, what kind of a caseload?

MR. MINAKER: Mr. Chairman, we're talking about Employment Services. If you want us to move back to 9(3) I can find out what the average workload would be. Mr. Chairman, my understanding is that the average workload out in our field is somewhere between 40 to 45.

MR. CHERNIACK: What ought it to be for a well-run department?

MR. MINAKER: I would think 40 to 45.

MR. DESJARDINS: What did you want 25 more for?

MR. MINAKER: Because of the increased home care programs and also the situation where now, because some of our public health nurses or other professionals are typing up reports, that we can release them for more time out visiting people by having clerks do the typing and so on. That's primarily the main objectives of that.

MR. CHERNIACK: Mr. Chairman, that's not new. I know there has been trend for some time now to take the professional away from the desk work to be

doing the job of a professional. I think that's a great step forward. But the Minister is now suggesting that the staffing last year, two years ago and this year were all at a pretty good level but that there is additional caseload and therefore they need additional people. Now that really does not answer the question that the Member for Seven Oaks raised and that's the possibility of having to wait for one of these workers to become available. I don't know whether the Minister is prepared to start giving us examples of how long it takes to process a person through the various needs, relating them to the number of days that it takes to get to see person "B" after referred to from person "A", etc. I suppose there are files on these files and they would show up. I am under the impression that you're overworking your people and that's not uncommon in this field, I mean in private agencies as well as in the government. But if the Member for Seven Oaks' suggestion has validity, I think maybe the Minister needs help from us in trying to get him more personnel to work for him.

MR. MINAKER: Mr. Chairman, the major portions of the 24 SMYs that will go into the regional area will be public health nurses relating to Home Care and also Community Mental Retardation workers as well as Community Mental Health workers; they are the major portions of the 24.

MR. CHERNIACK: Thank you. Then what you're saying is, you did not feel the need for additional social workers or financial advisers or people on the economic side of the Income Security or Social Security?

MR. MINAKER: Mr. Chairman, a Community Mental Health worker or a Mental Retardation co-ordinator could be social workers. It's just a matter of definitions.

MR. CHERNIACK: You know, Mr. Chairman, I know that they are professionals who have a training as social workers. I'm talking about the people who relate to the person who comes in in trouble, and they are the ones who steer them in the right direction and in the several directions. The question that was raised — the Member for Seven Oaks raised it — is the possibility that although they know they have to go to a particular specialist, who may be a financial adviser or maybe a child guidance person for all I know, that there may be a waiting period because of the caseload. I've never seen an organization in government or out that isn't carrying too heavy a caseload and I just don't believe that this government has succeeded in reducing caseload to that extent. For example, I might ask the member to what extent the caseloads have been reduced or is he absolutely quite satisfied to say on a serious basis that the people in the field would recognize that the caseload they are carrying is not too burdensome.

MR. MINAKER: Mr. Chairman, I don't have the figures that the honourable member asks for or how the caseloads have been reduced, if in fact they have been reduced. I can say that there has been indications that they would like more help out in the regional offices which is normal and I think in any

office probably you always get requests that they would like to have additional help. We recognize that and added 24 SMYs this year. I might say that when I became Minister I made a commitment to the field staff that we would not delay any request to fill vacant spots that occur through attrition or transfers which I have lived up to and so we are keeping our vacancy rate at a very minimum which helps out as well. So that with these combinations we feel we have an adequate staff at the present time to handle the anticipated workload that's coming up in the coming year. Now that might change in the next 9 - 10 months and we'll know when we get requests from our departments in the same way that the honourable members did when they were government.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: The Minister indicated a figure of 40-45, I think it is, the caseload per employee. You know, that's an arithmetical calculation; that is simply done I suppose by taking all of the entire staff and dividing that into the entire caseload and coming up with a figure and saying it's 45; but in fact where many people require more than one kind of service, they may require employment service, as in this case; they require income security service; they require public health. So that, since different people have to provide this service, to use a simple arithmetical calculation of saying the size of staff is such and such, the size of all the clients are so much, therefore by dividing it you get a case load of 45, is I think somewhat misleading, because every one of these people may represent really three or four, or two or three different types of service which they require. So you can't treat them as a single case. That one individual may represent really three kinds of service. I question 40 or 45, except as an arithmetical average, I suggest that in the field I wouldn't be surprised if it's more like 150.

MR. MINAKER: Mr. Chairman, it's so hard to evaluate when one says that the case load is 40 or 45, because as the honourable member has indicated they vary. They could be dealing with three of the different workers in the regional office, or they could be in the rural area. They might have to drive 25 to 30 miles before they visit them, so there's a number of variables which affect it. That's why it's so hard to interpret when somebody says in Child Welfare we have 40 or 50 cases on our books. They might only visit some of the clients once a month, whereas some they might visit twice a week or once every three weeks, so it's hard to distinguish down just on simple mathematics, what meaning that might have, as the honourable member has indicated to me. But the question was asked, and I've been advised by staff that's the approximate load.

MR. CHAIRMAN: I'm wondering, Committee, are we really discussing 5.(d)(1)? I have a problem trying to follow back where we're at. I thought we'd closed out 5.(c), 5.(d), (1),(2) or (3) that we're on.

The Member for St. Johns.

MR. CHERNIACK: On the point of order you raise. I started this on the basis that we're talking about vocational rehabilitation, which is what this is. But I

broadened it, and I broadened it deliberately because I feel this is only part of the team approach. I'm quite willing from my standpoint, not speaking for anybody else, to pass down to Social Security Services, Administration, providing I can then talk about the vocational rehabilitative officer as part of that team. So I don't care where we do it, but I want to discuss the package. I still want to do it. So, Mr. Chairman, I defer to you, wherever you say is where I will deal with it, because I have more to say on this.

MR. CHAIRMAN: Well, it's all got to be covered I suppose.

MR. MINAKER: I don't want to restrict debate. Keep going.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the Member for Seven Oaks said there may be one of the case workers might have a case load of 150. I don't know if he said it in jest or deliberately to exaggerate it, but I was shocked because I mention again my experience is limited. But I was involved quite a number of years ago in the Community Chest budgeting, and at that time I was under the impression that 60 was a very big case load for a social worker to have. Now I do believe that with the introduction of lay personnel to assist a social worker, he or she may be able to handle more cases.

On the other hand, I would hope that since that time, there have been advances made where they're able to give a greater service in depth. So I would ask the Minister rather bluntly, whether he says, well, you always get requests for more people in the field, that's normal and was always the case, whether we should be that sanguine about it or whether I should say to the Minister, is he getting that kind of request from the workers themselves, or are the supervisors saying, we don't have enough people working for us? There is a difference.

You know, if I as a worker, feel tired by my caseload and say I'd like to slough off some to others, maybe I would like to just take my life easier; but if my supervisor says I can't produce from this number of people, then that supervisor has to be taken very seriously. I challenge the Minister to tell us whether he just let it go easily, they always could have more work, or whether really the supervision people are satisfied with the caseload.

MR. MINAKER: Mr. Chairman, the requests come up through the regional directors to the Assistant Deputy Minister and then to the Deputy. Normally in the past year of my experience, they are reasonably well equipped with staff in the regional offices.

MR. CHERNIACK: I would like to conclude this aspect by saying I hope copies of this Hansard are spread to every individual worker in the department. I'd like to see whether there's a reaction, either undercover, by phone calls or whatever. I only hope they all get to see this.

May I move now specifically to vocational rehabilitation, Mr. Chairman, that's one part of it. I must say that I am not satisfied in my mind that the system that I envisioned is the best system in place, but I don't see any point in pursuing it further

because I'm sure that what I visualize is not correct. Maybe I have to go back to experts to find out whether I'm wrong in the way I think it ought to be.

The vocational rehabilitation officer - and let's take case I've mentioned of a person who is terribly handicapped, and let's assume that person has his or her wits about them, but has a very serious physical handicap and no real desire to work - now I'm talking about young people who in their own minds, for the rest of their lives, are incapable of working. What kind of job is done with them? What kind of motivation is given to them? What are the chances of hoping that kind of person, and there are such, will become a more useful member of society?

MR. MINAKER: Mr. Chairman, there's a number of avenues that they could follow when they would work with a vocational rehabilitation worker and then they could also work with a behavior psychologist that's out there to assist them. They could receive counselling. It depends on the extremities of the physical disability and the mental attitude of the individual, and how far the services would go. We have offered training at community colleges for these particular individuals. So it depends on the particular individual that we're talking about and the extremity of the disability.

MR. CHERNIACK: Mr. Chairman, whose responsibility is it to monitor the system itself? In other words, what person will take that case and will test to see whether all these various types of input are being applied as well as they should be? In other words, is there somebody that monitors and follows it through, or is it just that they're sent from one person to another person to another person, and in the end they either do or do not go to work?

MR. MINAKER: I think I possibly answered part of that question earlier, that it would be the regional team co-ordinator, along with the particular social worker that might be working with that individual, and they might be referred to two or three of these individuals that I've indicated when they're panelled.

MR. CHERNIACK: Now I want to deal with that particular case I raised in this way. Assuming that person I talked to doesn't really want to go to work; and assuming that I have the conscience of wanting to make sure that person has been given every opportunity and a real effort has been made, who would I ask about that? Do I go to the Minister and say, three months hence, did it work with that person; or do I go to the team co-ordinator; or is it none of my business. I want to know, what do I do? Where does my conscience tell me to go?

MR. MINAKER: I would suggest that you come to the Minister because cases like this are kept in confidentiality unless the individual himself contacts you as his MLA.

MR. CHERNIACK: He did.

MR. MINAKER: I presume you're talking about a normal procedure where somebody contacts me about something, then I would find out confidentially what the background was on the individual and accordingly decide how much of that information

should be made available to you, keeping in mind the confidentiality aspects of the case. Well, I don't want to go any further on the particular case you're talking about. What can happen is, in the case of somebody coming saying physically they can't work, obviously a doctor looks at them to confirm in fact they do have a problem and then they would probably qualify because they are disabled. It could be a temporary qualification or it could be a permanent one depending on the severity of the disability and the permanence of it. These are the things that are looked at.

MR. CHERNIACK: I want to suggest in most it's a state of mind; that most people are able to do something. You know, as well as I do, that there are people who are just about completely physically handicapped and who are doing something that is within their capabilities, so I think it's really a question of a state of mind. I don't mean a sickness, I mean just confidence or motivation or desire or apathy on the other hand. I really am questioning the Minister because I doubt that you have the number of personnel that may be needed to follow through a thing like this. It might mean almost daily consultations on that person and I have grave doubts whether any department could produce that many people, whether we have to go out and look for volunteers to work with them because I can't expect this government to spend all its efforts in this particular field. I don't think you have that many vocational workers under this item (d)(1) that would be available to serve all that kind of need. In this very building, in this very government, we have seen people terribly handicapped doing good work. I think that an investment in motivating or training a person who thinks that for the rest of his life he'll never do anything and making him useful, feel useful to society, is a tremendous investment. I can think of very few human investments that are as great as that. I have a feeling that they're just a number in a file.

MR. MINAKER: I was just going to say that in the particular programs which the honourable member is talking about that we have in the agency, the Society for Crippled Children and Adults, some 44 personnel who try and help out these particular individuals you're describing, to counsel them and try and encourage them to get back to work and to have a program in the Employment Services where they assist them in life skills and work skills and so on to try and get them to work. So that avenue is out there as well and I believe in the case of the individual you are talking about he was referred there.

MR. CHERNIACK: Having done that, having succeeded in motivating them, having succeeded in training them, are there jobs? Are there jobs open for people like that or do you have to go out and find them, create jobs for them?

MR. MINAKER: In some cases there are jobs. I can't specifically say there's jobs for every one. I can say that in the particular section that we're dealing with at the present time, of the total last year of 912 cases that placements in employment during the year there was 470. Placements in training during the

year, there was 600; the total intake was 1,018 — these were at these work activity projects where we teach them. It's sort of a six-month course where we teach them really basic work skills and life skills and so forth.

MR. CHERNIACK: Then they end up in a job, permanent employment?

MR. MINAKER: Placement employment during the year, there was over half of them; 470 out of the 912.

MR. CHERNIACK: Is there a follow through?

MR. MINAKER: I think in the first year there's a follow through. For six to twelve months there's a follow up to see how they're making out.

MR. CHERNIACK: Mr. Chairman, I might mention that generally this government, the Conservative government, has been critical of its preceding government in various programs saying, well that's just make-work programs, this is not something of great permanence, criticism of what was attempted up in the north as being looked down on, as being something that is not really worth while. I feel that in this case that if somebody is motivated to do something and can't find that kind of work now there is justification and a subsidized program being created to give that person that kind of work just like they do in the ARM, where they're making people who are not productive enough to justify their income, to make them feel that whatever it is they're doing, and I would say there's an onus on government to make sure that once having trained these people that there's a place they can go to quickly and do it and if you can't find it in the private sector I think it's an onus on the government to do it. The person I was speaking about impresses me very well on the telephone, it could well be a telephone answering person in the Minister's office — not that I'm suggesting that he would have to do that but I'm saying that.

I'd like to think, from this Minister, to be assured, that jobs are found for people once they are trained and when we have unemployment as we have that that is not an excuse for not finding jobs for these people. I would think that — what is the term, positive action, is that the term for creating a discrimination in favour of these people is justified. I would like to know if the Minister agrees with me and assures me that's his objective or whether I'm too much of a dreamer in that respect.

MR. MINAKER: Mr. Chairman, first I'd like to point out that the work activity projects are not work shelters such that might be a make-work type project could end up being. This is a program that trains and they move on, and we have an in and out situation. We don't have all of a sudden, walk in 900 people and keep them there for three years, so that they're not a work shelter, they're sort of a training program. I support the idea of assisting in trying to find these people jobs but I find it difficult to say that because we can't necessarily locate a job in the private enterprise for these individuals that the government should start to build up the employment of all people and that's a difference in philosophy; that's basically it.

MR. CHERNIACK: Except you're continuing to support them on their social allowances, aren't you?

MR. MINAKER: Not unless they're disabled.

MR. CHERNIACK: I'm talking about disabled people.

MR. MINAKER: If the people are employable, which we're talking about, if the individual you were talking about before might be on a six-month type of probation and if it's found that individual isn't disabled and he is no longer on welfare.

MR. CHERNIACK: Mr. Chairman, the Minister misunderstands me. I am describing a person who I believe can work two hours a day. I don't see how private enterprise would bother to employ a person who can work two hours a day. I'm describing a person who is physically incapable of putting in a full day's work. Therefore, it's a person who will always need support of some kind and therefore I'm suggesting that if you're going to keep him on relief at least make use of his capability to work that two hours a day, maybe four days a week or three weeks a month or whatever.

MR. CHAIRMAN: 5.(d)(1) — pass; 5.(d)(2) — pass; 5.(d)(3) — pass; 5.(d)(4) — the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, the work activity projects, I notice in the Annual Report there were four last year, the four are still continuing this year, I assume. But I notice a paragraph in the report here which talks about the projects, although not primarily intended to create continued employment, have created spin-off employment and they indicate where they have, saying all the operations are employing former work activity participants. I'm reading this and I'm remembering the decision by the former Minister and the government to discontinue a number of work activity projects, about 1978 I think it was, maybe 1979, I think it was 1978, the argument being that the number who successfully got out of the program wasn't high enough to warrant the program continuing. This is a program which is funded partially or cost shared by the Federal Government and I'm thinking of the program, I think it was Pioneer, which was a program operated in the 185 Smith Street, a senior citizen, elderly persons housing development — the cafeteria — and that was discontinued. Yet that was a perfect program from the point of view of using people who are disabled, they really couldn't keep up in a very highly competitive food dispensing facility but did an excellent job there, well liked by the residents and yet that was discontinued.

Taking off on what the Member for St. Johns was saying, it is a kind of sheltered or protective work environment, I won't call it shelter workshop but a protected work environment, which certain people can do. Simply by cutting them off, they end up going back on social allowances because they qualify under social allowances being disabled, whether totally or partially or what have you. They do become a drain on the provincial social allowances.

So I'm wondering whether the Minister is thinking of expanding or reactivating the work activity

projects because in the Minister's own words here the former ones that had been discontinued, the spin-off from their graduates are still active and they're operating in different areas of the province. I'm thinking in Winnipeg, surely there could be room for more work activity projects to look after the kind of problems that the Member for St. Johns mentioned and other kinds where they can work perhaps in a limited way in this kind of project and it's cost shared under Part 3 of the Canada Assistance Plan.

MR. MINAKER: Mr. Chairman, the particular work activity project the honourable member has mentioned I believe was discontinued prior to my responsibility of the department. My understanding the reason was that it had started to become a work shelter area that the people who were being trained were not moving through. One of the criteria that the Federal Government funds the program under is the fact that it is a work training program rather than a work shelter. The other situation was I understand that it was providing a restaurant for the MHRC facility there which is good, but it was not basically the intention of the program just to provide say a restaurant service as a work shelter for disabled people. I understand that was one of the reasons why it was discontinued.

In terms of expanding the work activity projects if the honourable member recalls in my opening statements that we are opening one up and will be opening up one in Gimli this year because there is a basic work base there that we can train and assist and know that it can last for a period of time with the pass through type of program that is required. The other programs I understand were transferred to new locations. The one from Amaranth was transferred to Portage la Prairie because of the problem of having new people come into the program. Similarly I understand that it was transferred to Dauphin for the same reason but the programs in those locations will be continued.

MR. MILLER: Mr. Chairman, is the Minister saying that the work activity project at 185 Smith Street was discontinued at the request of the Federal Government or was it a decision by the Provincial Government?

MR. MINAKER: My understanding was it was the decision of the Provincial Government.

MR. MILLER: So, Mr. Chairman, to say that it was discontinued because it didn't conform with the requirements of the federal cost sharing plan therefore isn't quite correct. It was discontinued because this government wanted to discontinue it and I say to the Minister, so long as there is cost sharing it didn't cost any more than having these people on welfare, as a matter of fact it may have cost less. They were providing a service and are providing a service in enriching a senior citizen home facility, making it possible for the elderly to have meals at a very low cost. Even though you might classify it as a sheltered workshop, the mere fact that the funding was there and was being used and even though there may not have been a high percentage of graduates, some were going through and getting into the workforce. It may only be 10

percent but still this 10 percent is better than no percent and I'm wondering whether the Minister, would start that one again — I know he didn't do it, it was done by the former Minister — whether to launch that one again or launch new ones in Winnipeg. I know there is one being planned in Gimli but Winnipeg is the largest centre in Manitoba and there is only one in Winnipeg and that is the WHIP project which is a certain kind of activity, you know, not everybody can do it and I can't see any women in that program, so, it's limited. You have to be of a certain physical ability to operate in the WHIP program.

I'm thinking of other kinds of programs which you may call sheltered but they do make available work experience and even though they don't graduate as many as you would like they nonetheless don't cost any more and meanwhile these people are actively employed in something instead of just sitting home and contemplating their navel.

MR. CHAIRMAN: 5.(d)(4) — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$37,905,700 for Community Services and Corrections — pass.

6.(a)(1) — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, dealing with the north area what is the geographical boundaries of that area? While we're waiting, Mr. Chairman, I would like the Minister to be able to report on the reason why he was unable to obtain better temporary quarters than the cellar of 600 Main Street; when the new premises will be ready and why he has located them where he has in comparison with what might be more preferable locations? So can we start with the problem that was created by the fire, the efforts made to cope with it and the geographic boundaries of that area and what they are expected to be?

MR. MINAKER: Mr. Chairman, the reason we located in the basement where we did and are presently located was to make sure we didn't interrupt service to that area in the city and I have to commend the staff for living under the circumstances that they have for the past few months until we found a new location for them. With regard to the new location I've been advised that the staff worked with Government Services to try and locate a facility that was close to bus routes and they could walk in off the street and other criterion and came forward with that particular recommendation for that location.

MR. CHERNIACK: What are the geographic boundaries of that district?

MR. MINAKER: Mr. Chairman, I have been advised that we don't specifically tie down the boundaries. It's anything west of a certain street or east but it generally covers the complete north end of the city, east, west and north of generally the Portage and Main Street Area.

MR. CHERNIACK: Mr. Chairman, I want to be kind to the Minister; it can't be.

MR. MINAKER: Mr. Chairman, the reason, this depends a lot on bus routes and what you, the

convenience of the person getting to that particular location.

MR. CHERNIACK: Mr. Chairman, as I visualize the district, vague as it is, they have picked the north-east corner of the district. The Member for Seven Oaks will know better than I but I don't think there are more than about four blocks that go beyond the new location; eight to nine blocks that go north of the new location. There won't be more than about three blocks that go east of that location and there must be miles, I don't know, maybe two miles going west. Four miles, the Member for Seven Oaks says, and I would say two or three miles south. Mr. Chairman, the buses, even at 60 cents a crack now, don't all go there. You know, many buses that go north on Main Street turn off before they get to, is it Belmont? —(Interjection)— Yes, Jefferson, so it turns off before they get to Belmont. There are buses that turn off at Selkirk, at Mountain, at I guess Jefferson. There are not very many buses that do go north to that location. Now buses that come from the west end, which is the biggest and the furthest distance, are buses which, I believe, force a transfer because I think all the buses going east from the west end will turn south on Main Street.

Mr. Chairman, the impression I have is that this is a very poor location, that a location on Salter or McGregor or even Arlington might be more suitable from the east-west standpoint. Then I would say a bus somewhere around Cathedral or further south on Cathedral would be more logical for the north-south area and therefore I must be very critical of this location. Now, I'd like to know why this is the best location available bearing in mind the fact that I pass very frequently an abandoned bank building which nobody can say is a poor building with a very large parking lot, on the corner of Bannerman and Main Street. Then there are poorer buildings I'm aware of further south on Main Street; Dufferin and Main is one that stands out. It may be in very poor shape but it's there, better than a basement and I cannot say for certain but I would think that on one of these streets west of Main Street there could be places. Now if you tell me this is a temporary short-term lease and we're going to find something or build something, you know, it's only a closed mind that is not prepared to invest in what will be a permanent department. There is no doubt there is always going to be need.

I even recall, Mr. Chairman, and I hope this is not reported to my constituents around the Champlain School that there have been efforts to close the Champlain School which is probably in a much better location for this area than what is now recommended. There may be other schools that are planned to be closed. Mr. Chairman, I want to challenge the Minister to justify this location which I think is terrible and I might also venture a guess that your clients do not live within walking distance at all, that that is an area that is pretty well self-supporting, I'm thinking, and that the people you service would not be around that area at all.

MR. MINAKER: Mr. Chairman, I would suggest that the people in the north end of Winnipeg are very fortunate when it comes to location of income security offices because we only have three in Winnipeg. One is located at, I think it's 880 Portage

Avenue, which serves Fort Garry, it serves St. Boniface, it serves St. James. We have one at 600 Main Street, which serves a central part of the city and this new one which was originally at 956 Main Street is moving some 800 numbers north onto 1790 Main Street. So in actual fact the north end of Winnipeg has coverage pretty well I would suggest as compared to other parts of the city, so that the location in my opinion will be permanent as long as the lease is signed for.

MR. CHERNIACK: For how long is the lease? What is the size of the location? Can you identify it by memory? I'm not sure what its use has been up to now.

MR. MINAKER: The only other thing I would add is that 600 Main Street, we moved into that basement because it was empty. We did not want to discontinue service to those particular clients and for that reason we located there as a service really, not to discontinue the service, and the best location we could find was 1790 Main Street and as I say that, I believe that particular part of the city is well covered compared to other parts of the city.

MR. CHERNIACK: Mr. Chairman, in the first place I am reminded in my mind of a building that has been newly refurbished which is a former bank building which is probably the Pacific or Alexander on the corner on Main Street. It used to be a bank building which is I think either half a block or a block and-a-half which would be and is vacant. I've seen it frequently; it's been completely refurbished. I should think that would have been an ideal place if you wanted to continue service because it's right close by.

Mr. Chairman, it is a pretty bad indication of the services being provided by this department if he says that the north-east corner of the north end is a very fortunate location. I know that the geographic area of the city is not necessarily representative of the — would you call it a catchment area or an area where your clients are — but we know, Mr. Chairman, you know, Mr. Minister, that most of the people probably come from the centre core as it spreads out; 600 Main is probably very close to the centre of the people you serve. I would think that if you talk about Fort Garry, you don't really mean it because I don't think you have very many people from Fort Garry whom you serve. I don't believe that St. James is in that much need or Assiniboia and I think that it is a red herring to try to suggest that the poor people of Fort Garry have to go all the way to, what is it, 800 Portage Avenue, which is probably somewhere around this side, east of Sherbrook —(Interjection)— Oh, Arlington, yes. I just don't believe you have many people from Fort Garry going to Portage and Arlington or 600 Main.

I think that your map of the people you serve is quite different from the map of the City of Winnipeg and therefore, picture for a minute if you will, the people on the east side of the river that the Member for St. Boniface would like to talk about. They have quite a trip to go. Of course if they are in St. Boniface they can probably go down to Arlington and Portage or 600 Main which is not easy but they can do it. But think of people in East Kildonan or Old Kildonan —(Interjection)— North Kildonan I mean,

who have to come all the way down to Redwood Bridge and hope that it's working and then go all the way north again for about the same distance.

Mr. Chairman, I think it's a terrible location and I don't know why you chose it. The Member for Seven Oaks said it's a new building. Was it built on speculation? Well, maybe it's the best deal you could get on a per-square-foot basis but certainly, as far as location is concerned, it's awful, and therefore I'd like to know what the term of the lease is and whether the lease could be that length of time which would amortize the recapture of the investment in the building, and if it is, then I would really be very critical of that, so can you inform us as to the length of the lease, the term of the lease?

MR. MINAKER: Mr. Chairman, first off, I've been advised by the Executive Director of Income Security that the Director of Income Security for that office, the former office at 956, looked at several locations that were located by the Government Services Department and they selected this one as the one that they preferred and thought was satisfactory.

With regard to the lease and the space, I understand it's about 4,000 square feet. I will have to get that information from the Minister of Government Services with regard to the termination of the lease.

MR. CHERNIACK: Well, you don't know the . . .

MR. MINAKER: I don't have it right now.

MR. CHERNIACK: If the the Minister doesn't know the term, he doesn't know how permanent it's going to be, but I'm guessing that if it is a new building, it would be a long-term lease and then I would like to look at the economics of it to find out whether it wouldn't have been more sensible to build your own building, or if you want to subsidize, somebody else building it. The location, I have to assure the Minister that although the Director selected it out of several others, I'd like to challenge him to tell us what the other ones are so we could have an idea.

Mr. Chairman, there are three of us who live in that general district and who have a pretty good idea of what it's like. I don't know who the Director is, so I don't want to make any comments about the competence of the Director in deciding which a good location, but I do believe that you have not satisfied my question. There are lots of vacant lots in north Winnipeg, but there are also vacant buildings in north Winnipeg and this may be very nice from the standpoint of cleanliness, light and maybe air conditioning. There may be all sorts of nice reasons that the building is nice, but I assure you the location is rotten. The building may be nice and maybe it's a nice place to work, and again I don't want to cast any unfair comments about the objective of the person who selected it, but it may be that if I had to decide where I wanted to work, I might have a different attitude than if I decided where I wanted to serve my, again, catchment area.

I really would ask the Minister, please let us know what are the choices that were offered to be viewed? What is the term of the lease? What is the rental payable? I think that it would have been possible to find a better location. So will the Minister oblige with that kind of information?

MR. MINAKER: Mr. Chairman, I will try and get that information as to other possible locations that they

looked at. As I said the staff felt that was the best location and I didn't realize it when the Honourable Member for St. Johns said he was retiring after the next election, he would be concerned where the location of the Income Security Office would be located at the north-end. Obviously in the opinion of the Member for St. Johns he thinks it is not a good location, whereas some other people do. It's a good thing I said it with tongue-in-cheek.

MR. CHERNIACK: I have to tell the Minister that I am sure that when his time comes and I hope it will be soon in the proper . . .

MR. MINAKER: I hope not.

MR. CHERNIACK: . . . democratic process, but whenever it comes, I'm sure his interest for the people he serves will continue long after he leaves. I'd know and I accept the way he said what he did, but I really have to say that there is a terrible tug-of-war in the minds of a person whether you choose to work where it's nice to work or where it's good for your people to work.

The Member for Seven Oaks just tossed out his agreement with me as to location and I will follow this up with the Minister's co-operation, which I need, of course, and that is the other choices that were, the prices, the size, the length of term of the lease, in order to see whether it is being subsidized. I marvel that you could get a new building that easily, that somebody built a building and there it was sitting and waiting for you. Apparently it was a speculative building that didn't work out. Maybe it's a cheap deal, Mr. Chairman, we'll find out.

As a say, I want to pursue it further because I think it's my obligation so to do and that of the other members whose constituencies are being served by it, and I need the Minister's co-operation to get that information in the fullest sense and quickly enough for me to be able to follow it up. If I put in an Order for Return, maybe only God knows how long it will take to get an answer, so I will expect the Minister to give assistance.

MR. MINAKER: I will request the information from the Minister of Government Services.

MR. CHAIRMAN: 6.(a)(1) — pass; 6.(a)(2) — pass; 6.(b)(1) — the Member for Seven Oaks.

MR. MILLER: Well, yes, keep going. I'm sorry.

MR. CHAIRMAN: 6.(b)(1) — pass; 6.(b)(2) — the Member for Seven Oaks.

MR. MILLER: Is there an amount in here to reflect the increase which will take place annually, if it takes place annually, and took place January 1st of '81?

MR. MINAKER: Yes, Mr. Chairman, we've got 10 percent increase for fixed rates for food, clothing, personal household and board and room items. In addition, we have a 12.5 percent increase in variable costs for utilities, shelter and heating. The next question I know what it is, do you want me to give you the answer?

MR. MILLER: Let's hear the answer, go ahead.

MR. MINAKER: The next question would be is why is there less money this year than last year? What has happened . . .

MR. MILLER: The next question is how much did you underexpend last year?

MR. MINAKER: Yes, the next, which is one of the first items we've . . . We have underexpended approximately \$5 million, I think it's \$5,420,000 to be exact. It was lack of anticipated roll on; a number of things, warm winter and hydro rate freeze and maintenance support revenues that we are now getting with the computerized program.

MR. MILLER: What kind of hydro rate freeze?

MR. MINAKER: Well, utilities have been frozen for the last two years.

MR. CHAIRMAN: The Member for Burrows is the next one on the list.

MR. MINAKER: That's the answer I guess, unless you want further.

MR. CHAIRMAN: Is the Member for Seven Oaks finished now? All right. The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, all right, so there's an amount in here to reflect an increase when it takes place at the end of year.

MR. MINAKER: That's anticipated by the way of approximately \$7 million, \$7,000,061 those rate increases. We've got also in that figure a 2 percent increase in the Disabled category.

MR. MILLER: That's assuming that the cost of living will co-operate by not rising beyond the percentage estimated in these figures. I suppose if the cost of living rises as it has in the last 12 months — certainly the last few months have indicated well above 10 percent that will be taken into account, and that you won't be simply giving an increase of 10 percent when in fact it should be 11 or 11.5. I mean that depends on our rate of inflation.

MR. MINAKER: I think, Mr. Chairman, recognizing that in most cases we pay actual rent, actual heating and actual utilities, that as they go up, which reflect part of the cost-of-living increase, that in actual fact it's higher than 10 percent and is more like 11.5 to 12 percent.

MR. MILLER: I'm thinking in terms of food, where it appears that the actual and the projected increases in inflation indicate that 1981 is going to see some very substantial inflation in the cost of food, far beyond the 10 percent that the Minister mentions. I'm remembering that it's about three years ago, the Social Allowances were not adjusted because the Minister at that time said, sorry, he's run out of funds and he had to postpone the adjustment because he had to pay a higher rental, etc., etc., and therefore there wasn't the funds in the Estimates. That was in 1978, I think it was, so I mean with that in mind I ask this question, that if in fact the cost of food and these other items that come into the

calculation go beyond the 10 percent which the Ministers allowed for, is he prepared to state that he would not simply say, well, I've got 10 percent and that's the end of it, I'm not going beyond that.

MR. MINAKER: If what the honourable member says does in fact take place, we would obviously have to review the situation if things got completely out of hand.

MR. MILLER: The other question is, the CRISP Program, the Child Related Support Program, where people qualify for that to the extent that they are paid under that program, would that decrease the drain or the draw on this program?

MR. MINAKER: Yes, we anticipate because we've made it optional for people on welfare if they want to take it up or not, we have anticipated that it should reduce the welfare by approximately \$3.5 million. (Interjection)— No, it's a transfer, that's what I'm saying; we had originally anticipated it would be higher but the fact we made it optional and not mandatory to people on welfare. You can't make any program mandatory in our opinion if people, you know, applied for it. That's the reason why it's reduced.

MR. MILLER: So that's the reason. It isn't that there's been a drop in the caseload or anything of that nature. It's simply the caseload is the same as before, but it's simply a transfer to another appropriation.

MR. MINAKER: Yes, in the \$5 million underexpenditure.

MR. MILLER: And the \$5 million underexpenditure accounts for it. Okay.

MR. CHAIRMAN: The Member for Burrows.

MR. BEN HANUSCHAK: Mr. Chairman, I have a number of questions which I would like to the Minister relating to Social Allowance Programs and not so much with respect to the payment of allowance, but rather to the collection of Social Allowance payments. This follows up on the comments which I had made to the Minister yesterday. Now I know that the Minister assured me that he will look into the particular case that I had made reference to. I've provided his Deputy with the details of it, but I believe, Mr. Chairman, that there are a couple of matters of principle that are involved here that really should be discussed and should be resolved.

My first question to the Minister is: When the Minister makes payments to a welfare recipient because of the neglect or failure of another person to comply with any law or order, and this refers to the case of a sponsor of an immigrant, when does the sponsor, that is the person who allegedly has failed or neglected to make payments, when does he or she receive notice of the fact that the Minister is making payments on that individual's behalf?

MR. ENNS: Ben, I don't these kind of questions are in order . . .

MR. CHERNIACK: Mr. Chairman, while I wait for an answer, I wonder if the Member for Lakeside would

care to pair with me and we can both leave and then the committee would do better with our absence. How about it?

MR. ENNS: You first.

MR. CHERNIACK: There's a challenge. (Interjections)

MR. CHAIRMAN: The Honourable Minister.

MR. MINAKER: Mr. Chairman, my understanding is that where a sponsor sponsors someone and they fail to support them after they've brought them into Canada, when we pay the payments to the person that's been sponsored, we lien the property of the person who had sponsored them for life. Unless something happens to that particular sponsor, that they either become unemployed or disabled or some situation, then we would not lien that property, but it's the same as with a man and wife. If the wife separates from a man and requires welfare, then we lien the husband's property, per se, and only I might say, Mr. Chairman, for the length of the sponsorship agreement.

MR. HANUSCHAK: No, Mr. Chairman, that was not my question. My question was, at what point is the sponsor notified of the fact that this is going to happen, when the Minister sends out the first welfare cheque or the second?

MR. MINAKER: Mr. Chairman, on the second welfare payment.

MR. HANUSCHAK: Is there an opportunity given for the sponsor to state his case?

MR. MINAKER: Absolutely, Mr. Chairman.

MR. HANUSCHAK: Is there provision for that within the Act?

MR. MINAKER: My understanding is that they can go to the Welfare Appeal Board.

MR. HANUSCHAK: Well, Mr. Chairman, in that event, I would ask the Minister if he would undertake to review the existing legislation and regulations related to it, as it relates to this particular matter too, and to assure the people of Manitoba that in cases where the Minister of Community Services will have to undertake the responsibility of providing for an immigrant, who was sponsored by someone, to make certain that the legislation and the regulations and the procedures followed by the department are such to give the sponsor sufficient notice, to give the sponsor sufficient opportunity to present his case before a lien is slapped against that person's property, because it's a continuing lien. Each month it grows larger and larger. I think the sponsor should have an opportunity to defend himself.

Now the Minister said in his own words, that where the sponsor has failed to provide support, but as I've indicated to the Minister yesterday, using two examples, the one that was brought to me specifically, and the other of which I have some indirect knowledge, that there might be cases where immigrants become a charge on the public purse

through no fault of the sponsor, through no failure or neglect on the part of the sponsor. That is the part that I believe, Mr. Chairman, is the unfair part of it.

You will recall, Mr. Chairman, the example that I gave yesterday, where the sponsor sponsored a husband and wife. They came to Canada. The sponsor did what she had to do to assist them in settling in Canada. Then through no fault of the sponsor, the wife left the husband and the wife subsequently became a charge of the public purse. Now, really, Mr. Chairman, I fail to see how, in cases of that kind, one could hold the sponsor responsible for the maintenance of that individual. She agreed to bring a husband and wife, a family unit, into the country, with the hope and the assumption that they would continue living together as a family unit and that one would support the other.

Like I said, the Minister himself had said, that where there's failure or neglect on the part of the sponsor to provide maintenance, but I suggest to the Minister that there are cases where there has been no failure or neglect on the part of the sponsor to provide maintenance. That is what I feel is the unfair part of it. That's one aspect that I would like the Minister to review.

The other is making the sponsor responsible for lifelong support of the immigrant. Now I can appreciate the example that the Minister gave yesterday, where an individual sponsors the immigration of his aged parents, and he knows that the people are well up in years and for a whole host of reasons, age, education, training or lack of same, might be unable to find employment and might be unable to become self-sufficient. So I can appreciate the fact that sponsor should realize that the maintenance and support of those immigrants will become that person's responsibility. But if one sponsors someone capable of finding employment, and who in fact, does find employment, then I do make a distinction in that case. I think that there should be a point in time where the responsibility of the sponsor should cease. That's point number one.

Point number two, Mr. Chairman, what I think is even more reprehensible is the fact that the Minister sort of takes an assignment of an agreement made by a sponsor with the Department of Immigration. With the Department of Immigration, the sponsor made certain commitments, certain undertakings for a certain specific period of time, a maximum period of time. In the case of sponsoring relatives, it's five years. Then of course, I appreciate the fact that within the agreement that the sponsor signs with the Department of Immigration, the sponsor is made to understand that the Minister of Immigration may assign his interest in that particular undertaking — I haven't got my glasses with me, Mr. Chairman, so I won't read all of it — but I had explained this to the Minister yesterday, that —(Interjection)— Yes, yes, the Minister may assign his interest in this undertaking to Her Majesty and the right of any province in which a named immigrant or immigrants reside or resided during the settlement period. So the sponsor would naturally assume that what's being assigned to the province is the agreement which the sponsor signed, and the agreement which the sponsor signed was for five years. Then once this agreement is assigned to the Minister and the Minister finds himself in a situation where he has to

enforce it, then the Minister of Manitoba responsible for the enforcement of this contract says that the sponsor now becomes liable for life.

MR. MINAKER: No. No, Mr. Chairman, maybe if I correct the honourable member just on the one point there, it might ease his mind on one item anyway.

We only lien the sponsor for the length of the sponsorship's responsibility. If it's five years, which in the case of the one that he described, it was, it was only liened for five years and after that it was discontinued, the liening.

I understand that the City of Winnipeg also liened the property, and I understand that the lien on the property from the City of Winnipeg was paid off. But in actual fact, we never lien any longer than what the sponsorship's agreement was for. Also that the sponsor has the same opportunity as anybody else that wants to appeal any decision of the Executive Director of Income Security through the proper channels which are in the Act.

MR. HANUSCHAK: This is very interesting, because I certainly did not understand the Minister to say that yesterday. Now, I want to make certain that I understand this. The lifetime of the lien is only for the lifetime of the period of sponsorship, is that right?

MR. MINAKER: No. What I'm saying is if we had an immigrant who came and was sponsored and the sponsor had agreed with the Federal Government that they would sponsor that person for five years, and say after a year they didn't live up to their commitment, and the person had to come on our welfare rolls, then we would lien them for four years, but once that legal document that they have signed, the five-year commitment was up, we would no longer lien that property, but we would continue to pay payments to the immigrant, but the lien isn't lifted off that property, it still stays on.

MR. HANUSCHAK: The original lien still remains?

MR. MINAKER: Until it's paid. For only that amount, though, for the four years.

MR. HANUSCHAK: I appreciate that. Now, could the Minister outline to me the procedure that the department follows in imposing a lien of that kind?

MR. MINAKER: My understanding is that when the first payment is given to the person who is being sponsored, the person who sponsored the immigrant is notified that we are making payments to this individual, and that their property will be liened accordingly.

I understand the City of Winnipeg has the same policy, Mr. Chairman. Then the person has the opportunity to, I would imagine, come to the Director and declare that is not fair. They then can go to the Appeal Board to deal with it at that point, then go one step further and go to the courts, if they wish, to appeal the decision of the Appeal Board.

MR. HANUSCHAK: Now the Minister imagines that the sponsor could do that. Is the sponsor told by the department that he has this right of appeal to the Appeal Board?

MR. MINAKER: Yes, Mr. Chairman.

MR. HANUSCHAK: Thank you very much.

MR. CHAIRMAN: 6.(b)(1) — pass; 6.(b)(2) — pass; 6.(b)(3) — pass — the Member for Seven Oaks.

MR. MILLER: Mr. Chairman, on the 6.(b)(3). Is the policy continuing to have each municipality determine its own rates for municipal assistance, or is there any further talk about uniformity across the province?

MR. MINAKER: Mr. Chairman, we still allow each municipality to set its own rates, and at the present time we aren't looking towards uniformity across the province. We feel that the CRISP Program will have some effect, we believe, on reducing to some degree the amount of moneys that municipalities will be involved in in the welfare payments. Again, it's up to the municipality if they wish to decide whether they will count CRISP as an income. I see, in reading the newspaper, that the City of Winnipeg chose to look at it as revenue rather than non-revenue.

MR. MILLER: The Minister is saying that, to the extent that someone gets CRISP money, their welfare will be cut accordingly.

MR. MINAKER: That will be the decision of the individual municipality. The only one I know that is taking the policy that it would be counted as income, is the City of Winnipeg to date.

MR. MILLER: Then the city's decision makes sense though, because in a sense the province is doing the same thing. They're taking people off the Social Allowance Program and putting them on the CRISP Program. They're not getting any more money, they're just moving to another category.

The other question I have is, the recoverable amount from Canada, the \$41.9 million which represents over 50 percent of this figure, how is that possible?

MR. MINAKER: Mr. Chairman, I've been advised that some of that is 100 percent recovery from Treaty Indian payments that we make, and Canada recognizes it.

MR. CHAIRMAN: The Honourable Member for St. Boniface.

MR. DESJARDINS: I have a question on that. Are you losing out on this, under CRISP? If they were getting the \$30, the child they're under welfare, you get part of that from Canada. Now under CRISP, do you get that?

MR. MINAKER: Mr. Chairman, we notified the Federal Government of our program and we've not had a reply back to date on it. (Interjection)— It would represent a half of \$17 million, which we have —(Interjection)— I mean half of \$3.5 million, my apologies. Right.

MR. DESJARDINS: . . . it might be that these people should not qualify. It might be worth it to get them back on welfare. It's okay to say look at our welfare roll is going and look at how much money

we're spending on new programs, but that could cost you a lot of money. It could cost the people of Manitoba more money, and Mmrybe you should have a real good look and really press Canada to pay it. Is there any indication that they might, or you haven't heard anything, no commitment so far?

MR. MINAKER: Mr. Chairman, we have had no commitment so far, but we understand that the Saskatchewan Program was accepted favourably.

MR. CHAIRMAN: 6.(b)(3) — pass. Committee rise.

SUPPLY — ENERGY AND MINES

MR. CHAIRMAN, Abe Kovnats (Radisson): Committee will come to order. I would direct the honourable members' attention to Page 54 of the Main Estimates, Department of Energy and Mines, Resolution No. 58, Clause 2. Energy (a) Energy Management (1) Salaries — pass — the Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Mr. Chairman, I know the Minister gave us some information on the number of SMYs in the different branches and I understand under 2.(a) Energy Management there are 10 SMYs, and then I note that there are seven under (b) Conservation and Renewable Energy, 11 under the Canada-Manitoba Energy Agreement and three under the Bus Agreement. I can't help but think that this, from my recollection, is quite a large increase in the number of staff. Now it may not be as of last year but as of I would think two or three years ago that we've seen quite an enlargement of the staff involved in this area of the department. As I look at the titles and so on, it seems to me that there's some element of repetition in the functions under these different headings, particularly the item we're looking at specifically, Energy Management. The description of that function in many, many ways, you would think, could very well fit under the Manitoba Energy Authority which we discussed the other night. In other words, one wonders why there seems to be bifurcation of function in the department here.

I know you can organize the department in many different ways; there's more than one way to skin a cat and there's more than one way to cut up the pie, etc. There's no one best way, I suppose, but I think one should endeavour to eliminate duplication of functions. It seems to me that as one quickly reads over this that there is some, what looks to be, like overlapping, unless perhaps we're not as familiar as the Minister and his Deputy with the organizational patterns.

Why for example and I'd like to ask the Minister this very specific question, why could not this function of Energy Management be lumped in with the Manitoba Energy Authority, appreciating the fact that the Energy Authority has the responsibility, I believe, for negotiating export sales by Manitoba Hydro and so on, I realize that. But why couldn't you put Energy Management for example with Manitoba Energy Authority?

MR. CHAIRMAN: The Honourable Minister.

HON. DONALD W. CRAIK (Riel): I guess, Mr. Chairman, the answer is that there is in fact quite a

bit of overlap as it stands now. The Energy Authority is designed to be the group that works with supply side and as a result there has to be some sort of overlap with the planning on the Energy Management side and this group has been pretty much occupied in things like the National Energy Board hearings and the reports, historical supply demand and projections into the future and so on that you would expect the Energy Authority to be involved in. So there is without question a fair degree of overlap. However I have to point out that the Energy Authority at this point and time does not have a staff to draw on for this purpose and this group has been providing that staff requirement for the purposes of the Energy Authority. Whether it'll be a year from now, of course, remains an open question, but at the present time the Energy Management Group personnel does provide the staff requirement for the energy authority.

MR. EVANS: I was wondering in looking at the organizational chart given to us by the Minister where the Information Branch would be located. Would it be under Energy Management? Also where would the Energy Economics Branch fit? You can't just easily reconcile these blocks with what we've got here and I'm just trying to find out where we would discuss for instance the work of the Economics Branch. Specifically, where would the Information Branch go as outlined in the chart here plus the Economics Branch? I can see Conservation and Renewable Energy in the Estimates Book here, and would presume it's a counterpart to this block, and I see the Energy Council up above but I don't see any . . . I presume that the (a) Energy Management includes the Information Branch and the Economics Branch.

MR. CRAIK: Mr. Chairman, it's in the next item, Item 2.(b).

MR. EVANS: I'm not sure whether the Minister understood my question, but at any rate let me recheck what I thought he told me — that the Energy Economics Branch plus the Energy Information Branch are under (b) not (a).

MR. CRAIK: The Information Branch is under (b).

MR. EVANS: The Information is under (b), but the Economics Branch is under (a). At any rate, and I see the Secretary of the Manitoba Energy Council is down in the Energy Division although the Council is up above and I presume the differentiation here in the chart is that the Council is a citizen council, some sort of an advisory body, although I note that you have an Advisory Committee to the Council.

At any rate, my general observation is that . . . I don't want to be overly critical in terms of the staffing — but it seems to me that compared to at least two years ago, I think, maybe not with last year, but according to my recollection of two years ago, maybe of three years ago, but it seems that there's been quite a large increase in the staffing, in the Energy portion of this department. I recall when the New Democratic Party was in government and we had a Manitoba Energy Council made up of five or six senior government officials involved in this area, such as the Deputy-Minister of Mines, such as the

Chairman of Manitoba Hydro and so on, with the Minister as chairman and we had a very relatively small staff four people, maybe five, I'm not sure. At least it seemed to me that we had a relatively small group and what I see now is 10 here, 7 there, 11 over here and it seems to me that there has been a very substantial proliferation. Percentage-wise I know we're dealing with small numbers so maybe it's not fair to talk about percentage increases but there has been, I think the Minister will have to admit, some fair increase considering what existed before.

As I said, I don't want to be overly critical about this but I just want us to recognize that we have added considerable staff in this area which is I think contrary to what we've seen in a lot of other departments where there have been cutbacks but if I'm wrong or if I misunderstand, maybe the Minister can enlighten us. Perhaps he's got SMYs from some other branch of some other department that have been moved in or what have you, I don't know, but it seems to me unless the Minister can advise otherwise that there has been quite a large increase in the staffing in this area.

MR. CRAIK: I think, Mr. Chairman, it's fair to say that the only really significant increase has been in the cost shared agreements area. As I indicated the total increase indicated by the Estimates are five over last year. But if you want to go back years before, the increase, I don't have the exact numbers but there were about seven SMYs, I think, involved at the time in the Energy Council. But either out of the Energy Council or the accumulation from the planning priorities and with the change in structure that occurred three years ago, there were I think about seven positions in total resulted in the Energy field. Most of the additions have been really in the item that follows next in the Canada-Manitoba Energy Agreement.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Yes, the title of this section, Energy Management, intrigues me. I'm just not sure how one manages energy in our society. I understand by this that the Minister is talking about research into the supply in energy and of course the only supply that we have, apart from a very minor amount of oil, is hydro-electricity, but for the life of me I don't understand just how one manages energy. I can understand the next area where we talked about promoting conservation and looking into new energy sources by mass and so on, other renewable energy sources, that which is in the next section. But just what does staff do to manage energy? Energy management at first blush sounds like control of demand but I gather from earlier remarks of the Minister that it's really on the supply side. But any any rate I wonder if he could explain, what do we mean by energy management?

MR. CRAIK: Mr. Chairman, it's simply a broad enough term to catch a number of the responsibilities of that group and as I indicated this afternoon in a fairly wide-ranging discussion that a lot of the work has been involved in the National Energy Board presentations and I can tell you some of the topics that have been covered. There was the

Quebec Maritime, the Q and M Pipeline Hearings of the National Energy Board. Manitoba had a fairly long and lengthy presentation made in that debate or in that presentation before the NEB, there was the Trans-Canada Pipeline Facilities Hearing and the Trans-Canada Pipeline Rate Hearing and then the Omnibus Supply Demand Hearings and then finally, the most recent one, the Trans-Quebec and Maritime Pipeline Construction Application. So that's the type of thing that is involved. This group also with the Economics people that are involved in it have been involved in the other direct projects of the government, the Alcan, ManFor, Heavy Oil Upgrading, Hydrogen Utilization and so on, studies that have been going on. Mixed in with that all the reports that have gone on; the Manitoba Hydro, the Western Power Grid, all of these things come out of this particular section. Whether or not there is a better name than "management", is open to suggestion but that's what is applied by energy management.

MR. EVANS: Yes, as a matter of fact, it seems to me that the organizational chart that the Minister handed out makes more sense than the way the material is outlined here to us in the Estimates. You know, one can buy, sort of an economics branch, an information branch, renewable energy branch and so on but energy management sounds very very powerful.

I have two areas of questions: Number one, what are the qualifications of the professional people? In other words, particularly if you're getting into the so called Western Grid or the interconnection, the electricity interconnection that has been discussed, do you have electrical engineers on staff? I don't mean the detailed qualifications but what are the professional backgrounds of the professional people in that division?

MR. CRAIK: Mr. Chairman, I don't know whether to laugh or cry on that one, as the Minister of Finance says, but they are all economists.

MR. EVANS: I don't want to knock economists but it would seem to me, Mr. Chairman, if the Minister is using this division or branch, whatever it's called, to provide backup to the Manitoba Energy Authority which has the responsibility for marketing of electrical energy that you would think it would include one or two, at least, electrical engineers or some people who have that kind of expertise as well, because as the Minister told us, the Manitoba Energy Authority as it is now constituted is only person; that's all, one person. Perhaps that person is an electrical engineer, I'm not sure and that that is adequate but it seems to me that it's unusual to have all economists in there although I see in the chart it's called an Energy Economics Branch, but no less, it doesn't matter, there's still room for some people in the engineering field.

Another question I have is, what is the overall riding purpose or function of the department, of the government, being involved in all of these hearings? Supply and demand, these comprehensive hearings of supply and demand I can see, but Trans-Canada Pipeline Hearings, the pipeline to the Maritimes and so on, I perhaps can guess and imagine what the purpose may be but I wonder if the Minister could

elaborate on that. Why are we spending money, why are we using staff man years to engage in all of these areas that at least on the surface don't seem to have a direct bearing on the Province of Manitoba?

MR. CRAIK: Mr. Chairman, I guess I have to say that they do have a direct bearing on the Province of Manitoba. Maybe the best way to answer it is to provide the Member for Brandon East with the briefs and presentations that have been made to the NEB and so he can get a complete picture of what has been done by the province in this regard. Certainly they haven't received a lot of public comment or a lot of public attention but for someone like himself who takes an interest in these things I'm sure that he might find it valuable to have them available to him and I'll see that he gets copies of the NEB presentations and so on so he can have a look at them.

MR. EVANS: I thank the Minister for that offer and I'll be very happy to see these reports when they're made available. I would imagine the overall purpose of course is to protect the position of the Province of Manitoba. In other words, we don't want rates set on any particular portion of let's say of a gas line that will penalize consumers in Manitoba. In other words, I presume we don't want Manitoba consumers to pay for the cost of an Eastern Canadian gas line for example. I would imagine those are the sort of things that staff are doing. In other words, they're there to protect the interests of the consumers because we're dealing with a utility type of industry with pipelines and pipe distribution systems and there is such a thing as sharing of costs and allocation of costs and so on.

Specifically, I wanted to ask the Minister — one is an administrative question, then I have another on policy. The first one is: What about legal counsel? Many of these board hearings are of a quasi-judicial nature. Where do we pay? Do we retain legal counsel or do we use our own staff to make presentations? If we pay legal counsel is that under this item here? Is that where we pay them, under Energy Management?

MR. CRAIK: No, Mr. Chairman. In the legal requirements here we've used the Attorney-General's office entirely and so it's been entirely government staff so I'm happy to report that the costs from that part of it show up under the Attorney-General's Budget rather than here.

MR. EVANS: The other question is a policy matter and that is the question of the utilization of natural gas produced in Canada. We are fortunately in this country blessed with large amounts of natural gas. We've discovered more I guess as a by-product of looking for petroleum, looking for oil and there seems to be ample reserves, potential reserves in the high Arctic and I think that by and large one can say that we do have ample supplies from our point of view now of natural gas, so much so that one way to help alleviate the demand for offshore oil and to become more independent in oil of course is to substitute natural gas for oil wherever we can within the country.

However, the Federal Government has permitted a certain amount of natural gas to be exported to the

United States and I know there are many producers in Alberta who have a great interest in exporting even more because if they can export more, presumably their net revenue increases and they make more profit which, and I'm not faulting them for that, that's the name of the game. But I recall some years back where we had something of a crisis, a minor crisis if you like in the City of Winnipeg because there wasn't enough additional gas available. I think it had an inhibiting effect at the time on the matter of supplying natural gas to new sub-divisions in the City of Winnipeg. We became at that time, I recall, Mr. Chairman, very concerned about the natural gas export policy of the Federal Government. We were very concerned that the National Energy Board did not permit additional amounts of natural gas to be exported out of Canada, if areas that were dependent on these sources of natural gas, such as the Province of Manitoba, may be at some time short-changed, or whereby the supply was not forthcoming and thereby hurting residential or industrial developments or commercial developments, which might wish to use natural gas as a source of heating, or as an industrial material.

My question to the Minister is, where does the Province of Manitoba stand on the matter of natural gas exports? Do we really care as to whether the Federal Government allows a great deal more natural gas to be exported from Alberta, or are we taking a very cautious view of this and telling the federal authorities when the appropriate occasion arises — National Energy Board hearings, etc — that the Manitoba Government is not happy with additional exports of natural gas? Just where does the province now stand on this matter?

MR. CRAIK: Well, in a couple of sentences, Mr. Chairman, I think if the member looks at our representation before the National Energy Board, he'll find that our presentation said that depending on the discount rate that you want to use, you'll find that you can draw your own conclusion as to whether you want to export it or not export it.

In other words, it's a pretty marginal decision, sort of apart from philosophical arguments you want to present, as to whether or not you leave it in the ground or whether you develop it. I think probably the member will find the complete story if he wants to take a few minutes to examine the presentations that have been made before the NEB on this question.

MR. EVANS: I can do that, but I thought the Minister might indicate whether he was in favour of more exports to the United States, or take the other side, which may be a little more nationalistic, and that is, let's not export any more than we have to.

I appreciate there are two sides of the argument. One thing, of course, if you have ample supplies and you know that you have ample reserves, it may be a good thing to export. It certainly strengthens the Canadian dollar, if you're interested in the value of the dollar, if you think that's a good thing, and it does earn foreign exchange reserves. It is a valuable export, there's no question. I thought we could get a sort of indication from the Minister, but he's telling us it's very complicated and we should read about it.

I'm not sure whether the Minister touched on this earlier or not, but what about the matter of storage

of natural gas in Manitoba? Just what is happening to this? Near Virden, Manitoba, there is a natural storage reservoir in effect, underground. It's is a natural rock formation which could enable the storage of natural gas, which would be a good thing because we have very sharp peaks of demand in the winter, and the more that can be stored, I think, in the summer months, I think perhaps the more efficient it could be. I wonder if the Minister could just bring us up-to-date on that subject.

MR. CRAIK: Mr. Chairman, there's nothing new to report on that. We did look at it last year in the Estimates. The group was extended a three-year period in February, 1979, Daly Gas Storage Ltd., but there have been no new developments in that regard and there's really nothing new to report.

MR. EVANS: In the area of energy management, has the Minister requested any information on how we may, in Manitoba, go about more effectively looking for oil? I know that private industry is out there — (Interjection) — The simple answer is to raise prices, according to the Minister of Finance from his seat. I'm just probing here, is there any development here? Is this group at all concerned with ways and means of stimulating further oil exploration in Manitoba?

MR. CRAIK: Mr. Chairman, we can deal with it here, I suppose. It might come under Mines, but I suppose the major thing that has happened, of course, is the Crown leases that have been let for the last three years that has brought about an increased amount of activity and has allowed the Member for Brandon East's soulmates from Saskatchewan, Sask Oil and Gas, to come into Manitoba and do their exploration work and issue their public releases when they discover a well. Those sorts of things have taken place.

The statistics show that there is an increased activity. There are more wells being drilled. The rate of decline in oil production has been slowed down to a point where there's a leveling off that it would appear might occur, and as a result, I guess you could say that things are going quite well, considering the fact that Canadian activity has slowed down generally as rigs move across the border to the United States, where they're getting world oil prices for the new oil as opposed to the very limited remuneration they get here.

A MEMBER: They're looking for more and using less, that's a good combination.

MR. CRAIK: At the present time, it looks like we're getting more than our fair share of activity in Manitoba. Whether or not there are more discoveries of course, anybody's guess applies there.

MR. CHAIRMAN: 1. pass — the Honourable Member for St. Vital.

MR. D. JAMES WALDING: Thank you, Mr. Chairman. The Hansard for Tuesday has recently come to our desks and gives us an opportunity to review the Minister's opening remarks, and does give rise to a couple of questions.

I wonder if the Minister could elaborate on the mention that he makes in his opening remarks to the

funding of the Fusion Research Investigations? I assume that this refers to nuclear fusion. I'm wondering if there is any research work being done on nuclear fusion in Manitoba. If not, what does the funding refer to?

MR. CRAIK: The funding that we have done, Mr. Chairman, is to fund the work of a committee, very limited funding really, to provide them with the necessary financial requirements to carry forth their study and they have made now a recommendation to the government to take specific action and we'll be pursuing that up but it is very contemporary. We're in fact in mid stream of following up those activities but to answer again directly the question, it is to carry on the work of a committee made up of a group from the University of Manitoba, the University of Winnipeg, the Nuclear Establishment, the Whiteshell Nuclear Research Establishment at Pinawa and some representatives from the community at large with a specific interest in this area. They have recommended that we take a course of action that would lead to development of a fuel handling research capability in Manitoba that would tie in both the possibility of hydrogen research fuel handling, given the fact that there is some potential for Manitoba to get into the hydrogen field with the hydro resources that we have and tie that in with the fuel handling requirements for nuclear fusion which is very closely related and look down the line at some distance in a matter of a decade or so and trust that we can tie in, not only with the Canadian programs in this area but also with activity that is now under way in the United States which of course dwarfs the Canadian activity by a factor of several hundred times to one.

The U.S. has now entered a program that is going to commit some \$20 billion over the next 5 to 10 years. Canadian program in total at the present time is about \$2 million a year. So what we are attempting to do is to tie in with the Canadian program and make representation to acquire the fuel handling section for Manitoba.

MR. WALDING: Mr. Chairman, I thank the Minister for that information. I'm not sure I understand what fuel handling means or indeed what the fuel is for a nuclear fusion plant whenever it might come about. I'm not sure that I understand either the Minister's reference to a fuel handling section. Now is this something that is being done on behalf of the Canadian investigations or is it something separate and apart that Manitoba is doing and funding?

MR. CRAIK: Mr. Chairman, the objective if we were successful would be to have Manitoba as the Canadian segment of research and that would be the segment devoted to fuel handling and the fuels would be a combination possibly of hydrogen because of, not hydrogen in terms of the fusion process but hydrogen in terms of the fact that it's very closely related to the fuel that is required in the fusion research work which is tritium. So the two fuels being very similar would be undertaken in research terms on a unified basis because they do tie in very closely and have very similar characteristics.

MR. WALDING: Mr. Chairman, the Minister says, "if we were successful." Is this a matter of some

negotiation with the federal research people to make arrangements to do this here or is the Minister talking about setting up something independently that Manitoba would do for both our benefit and to supplement the Canadian research?

MR. CRAIK: Well, Mr. Chairman, it is very likely it would be an attempt to establish a Canadian operation here with possible participation on a provincial basis and that would be, hopefully, a combined effort.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister in the event that he is successful and we wish him success in it, can he give us an idea of the scope of such work? What sort of facility would be set up? How many jobs would be involved and anything else along these lines? I realize it cannot be beyond the planning stage and it would be difficult to be specific but can he give us any general information?

MR. CRAIK: Well, I can't give the member any figures with regard to personnel that has been studied or proved or anything else. The committee has indicated to the government that there would probably be some hundred scientific personnel involved in an undertaking of this sort. Whether or not that's a valid figure remains, I would think, entirely a speculative matter. Those are the kind of initial figures that have been indicated to us but I would emphasize that they are extremely speculative. It certainly could vary anywhere around that number, I suppose, by a very large factor.

MR. WALDING: Mr. Chairman, to move onto a slightly different topic the Minister mentioned hydrogen as a factor in this research process or proposed project. I wonder if the Minister has any further information to give to the committee following the reference in the Throne Speech this year which had mention of the use of hydrogen or the possible use.

MR. CRAIK: Not at this point, Mr. Chairman. I simply point out that the reference in the Throne Speech was probably not as concrete as some of the other references that were made in the Throne Speech to some of the other project undertakings that the government was involved in. I simply report to the committee that the work is progressing and we are still working on that possibility. Specific reference was made to heavy oil and other matters. That study is still under way. We have consultants involved working with us at the present time and I really can't at this time indicate anything further to the committee.

MR. WALDING: Mr. Chairman, I would like to ask the Minister whether the government has a study in its possession, having to do with the production and economics of producing hydrogen from water or whether such a study is under way?

MR. CRAIK: There may be, Mr. Chairman. There was a study that was done some time ago on that topic. It was a combination of hydrogen and heavy water. The study done was Atomic Energy of Canada and the Nuclear AECL, Atomic Energy of Canada

and Trans-Canada Pipelines; there was a study done a couple of years ago that was completed. I think it was probably undertaken perhaps at the time the former government initiated the study and it was completed somewhere in the last couple of years. I think perhaps there is a study of that sort that has been completed, yes.

MR. WALDING: Mr. Chairman, I had in mind an earlier study and I have heard that in the early 1970s, perhaps around 1972 or 1974, that the former government had commissioned a study on the production of hydrogen through the electrolysis of water. I haven't been able to get a copy of that report or even confirm that there was one made. I wonder if the Minister has any knowledge of such a report and if it is available, would it be possible for us to get a copy of it.

MR. CRAIK: I think we're referring probably to the same study, Mr. Chairman, but I'll check into it and if it is available I'll make it available to the member.

MR. CHAIRMAN: (1) — pass — the Honourable Member for St. Vital.

MR. WALDING: I thank the Minister for that comment, Mr. Chairman. There was one other thing that I noticed in the Minister's opening remarks that I just wanted to ask a question or two on and that was having to do with and I quote, "discussions are continuing with Alcan for a major feasibility study of aluminum production in Manitoba." Can the Minister inform the committee what they are discussing with Alcan?

MR. CRAIK: I can't say very much more than what I said in the opening, Mr. Chairman. If I hadn't said it of course the question would have arisen: what are you doing with regard to Alcan? So I did say it and I said the discussions are continuing and that's about as much as I can indicate to the member at this point in time. The House will be advised at the earliest possible date if there is something substantive that should be reported to the House and I really can't say very much more at this time except that they are carrying on a pace.

MR. WALDING: Mr. Chairman, it has been announced earlier I believe, that such a major feasibility study would be a major operation costing we are told somewhere around \$10 million or \$12 million. I wonder if the Minister can tell us whether the discussions have to do with the province taking a part in the feasibility study if and when it comes about or are these discussions leading to a decision by Alcan as to whether or not it will carry out such a study.

MR. CRAIK: Mr. Chairman, I really am not in a position to offer the member any more information than I have at the present time.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, the Minister explained to us that this is where the research goes on for the Manitoba Energy Authority. It's really an Economics

Research Branch and it therefore includes as he just told us a few minutes ago, the research on this Western Power Grid and interconnections.

I would like to ask the Minister whether in studying this matter of an interprovincial grid between the three Prairie provinces whether there has been study given to the question of control of the power flows in an integrated system. I mean, there are a lot of benefits from an integrated system. If you have excess capacity in one area it can be used in another area of a system where they may be a shortage and so on and there are economies that are achieved just naturally and automatically from a larger system . . .

MR. CHAIRMAN: Excuse me, to the honourable members, I'm following the line of questioning that I would think that the subject that is being discussed at this point has been discussed under a different subject. Is it a repeat on that subject that it's being brought up again?

MR. EVANS: Mr. Chairman, I have some questions which relate to the subject matter that these people get paid for. We're paying them this coming year \$315,300 and the Minister can tell me if I'm wrong. I understand that among other things these moneys are to be used for some of the research to back up the Energy Authority including this interconnection that we have been discussing with Alberta and Saskatchewan.

MR. CHAIRMAN: On that type of line of questioning, I think it would be in order.

MR. EVANS: Yes, and I can assure you, Mr. Chairman, as far as I am concerned the questions I have are not the ones that I asked the other day.

MR. CHAIRMAN: Fair enough.

MR. EVANS: This is a question of principle really I suppose, but since most of the Canadian utilities are provincially owned, well, certainly in Manitoba and Saskatchewan, we do not have this situation in Alberta but nevertheless you have several utilities. The ideal is to connect them in some way through a grid system. It seems then that we've got a basis for a regional grid but it seems to me therefore there has to be some mechanism put in place in order to ensure the maximum efficiency in the operation of this grid. In other words, is there not a question of who makes the decisions in the control of the grid? In other words, is there not a problem of each utility yielding some control to a central authority? Of course, if you had a TransCanada Grid, you may be talking about a Canada power authority, a central or a federal authority but it seems to me in a sense this is both an economic and a political question and has this branch done any research into this aspect? To what extent would Manitoba Hydro give up some control and authority by being part of an integrated operation? I think that's a fairly fundamental question that the Minister should address himself to.

MR. CRAIK: Mr. Chairman, my only hesitation is that we went over this in some detail as a result of the questions of the Member for St. Vital on Tuesday, I guess. This division of the department has been involved to a limited extent in the overall

examination of this topic and most of it has been done either by Hydro people or by consultants that have been involved rather than the Economics group in the Department of Energy although we did have one person that was fairly intimately involved at one stage in it. Mr. Chairman, I think you were probably on the right track, we did discuss it under the Energy Authority and that's really where it belongs. It's not that these people are excluded from doing work on power grid or on electrical matters but they haven't to this date had anything but a fairly limited involvement.

MR. CHAIRMAN: On a point of order — the Honourable Member for St. Vital.

MR. WÄLDING: Mr. Chairman, we did have some discussions on an interconnection with Alberta the other night under the Manitoba Energy Authority but the matter that the Member for Brandon East is now referring to, that is, whose hand is on the switch, is not something that was under discussion that evening and the question that he raises was not answered.

MR. CHAIRMAN: To the Honourable Member for St. Vital that's why I had allowed it as not being out of order. I try to give some direction so that there wouldn't be repetitiveness on previously discussed items.

The Honourable Member for Brandon East.

MR. EVANS: I see that part of the problem, Mr. Chairman, is the matter that I alluded to at the very beginning and that is that many of these topics seem to duplicate one another. I said right at the beginning that one would think in some ways you could combine the so called Manitoba Energy Authority with Energy Management, you know, period. Now that's a matter of preference as to how you want to organize the shop. So I don't want to make big issue out of it but there is, you must admit, and the Minister must admit overlapping and duplication. That occurs in every organization to some extent, but the fact is as I understand it, their responsibility does include research that may assist the government in whatever way, in making decisions with regard to a Western Power Grid and this question I don't believe was asked before and I didn't ask it before and that is, what about the matter; to what extent will we give up power? To what extent will we give up our administrative authority in hydro? This is a real question, it's a very fundamental question once you have a real vital electric power integration. I think the Minister has been talking about this integration, there's been a lot of excitement, a lot of speculation and so on. I wonder if he could just briefly indicate whose hand is going to be on the switch, who is going to be making these decisions — when you get a three-province group of utilities integrated, presumably working in harmony and bringing about efficiencies in scale?

MR. CRAIK: On brief, Mr. Chairman, I suppose it's like any other interconnection. The major ones in the U.S. that's in place is based on a basic agreement. This one will be based on a basic agreement and the basic agreement if it materializes will be based on a concept of a straight sale commitment and then

many other things may happen on the line, the same as it has happened on other lines. So that it isn't a question at this point in time of whose hand is on the switch but that doesn't mean that it won't emerged to that some period of time down the line, a decade or so down the line when some joint planning occurs. But at this point in time the concept of the Western Grid is based on a fairly fundamental approach of a sale of a block of energy from Manitoba to the other two provinces and then with the contingency possibility of other things happening. But it isn't a question of deciding whose hand is on the switch, as I say it's like the other lines that have gone in. At the start at least it's based on the concept of a fundamental transaction taking place and in this case it's a sale of power.

MR. EVANS: What the Minister is explaining then is that what we're talking about is a limited operation so we're really not talking about a fully integrated operation which the phrase, as I understand it, the phrase "power grid" seems to imply. When you're talking about a regional power grid as we are it implies full and true integration, so we're really not talking about them. Is that what the Minister is saying, that really what Manitoba has been engaged in with Alberta and Saskatchewan over the past many months, is truly not a Western Grid?

MR. CRAIK: It's not a Western Grid.

MR. EVANS: It's a minor interconnection. So we should maybe subsist in referring to this as a power grid because as I understand, most electrical engineers think of a power grid as an integrated system. When you have an integrated system you have to have some sort of a super authority however you set it up, whether it be a council representing the different utilities or what, but there has to be some mechanism in place to enable the efficiency of the grid. My honourable friend's an electrical engineer I believe and he should be able to tell us all about this.

MR. CRAIK: Mr. Chairman, I'm not an electrical engineer for a start say, but secondly, it's not minor because 1,500 megawatts, that's minimum, that would be envisaged for the line probably would supply all of Manitoba tonight so you can hardly consider it minor.

MR. EVANS: Okay, I used this term minor in the sense that we're talking about a partial operation. Certainly the amount, I mean when you look at it in that way, we're talking about a significant amount. But the point I'm making is that if this was a fully integrated or truly integrated system and the term grid is usually referred to that, when you talk about establishing a Western Power Grid one does think of establishing an integrated system. But even though the amount of sale may be high the Minister and the Governments of Manitoba, Saskatchewan, Alberta are really not talking about a true Western Grid. Is that correct? We are not talking about a Western Grid; we're talking about building a line to export some power to Alberta?

MR. CRAIK: The member is correct, Mr. Chairman, that it's not an integration of the utilities but it is still

a two-dimensional connection; it's not a one-dimensional east-west line; it's side connections off of it and to that extent it's a grid but it's not an integration of utilities.

MR. EVANS: Have the economists in this particular group done any research with regard, and this would be in support of the Energy Authority and its Marketing Committee, any research with regard to the cost of producing thermal power, using coal in Alberta and comparing it with the cost of producing power at Limestone? Does this group get involved in this type of study?

MR. CRAIK: Mr. Chairman, those kinds of studies have been done. I don't think this group would profess to be expert in that regard but there have been studies done on that subject.

MR. EVANS: Is the Minister saying then that really most of this type of work, these kinds of questions are answered or have been addressed by this study group? I've forgotten the name of the organization. There is a research group that has prepared a report which is not being released; it may be released in the future but will not be released at the present time by the government. I've forgotten the name of the organization that's done the study. But at any rate I presume then what the Minister is saying that these sorts of questions have been addressed by that research group and that's where that information is; it's not within the department itself.

MR. CRAIK: I can tell the member that it's a matter of very current debate at the present time.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Brandon East.

MR. EVANS: The matter of the question of thermal costs in Alberta versus the costs of producing hydro at Limestone, the Nelson, I imagine that is a very critical question and I would have thought that the Minister's advisers in House would also be directly involved in that.

This is another perhaps a general question. Again I haven't asked about it and I don't know whether the Minister or the government has addressed itself to the matter, but is there any thought of the Federal Government being involved in any way in this interconnection and if so, has there been any work done on that? Can the Minister just enlighten us on that briefly?

MR. CRAIK: No, Mr. Chairman. The whole project has been approached on a stand alone basis. There hasn't been any assumption of any support other than a straight utility type of transaction.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Brandon East.

MR. EVAN: Just on a bit of a different area of research here. What about — and this is looking into the future, maybe not so far into the future — what about the economics of smaller scale electrical plants in the Province of Manitoba? In other words, I'm looking at alternatives to Hydro development itself. Is this group doing anything in this area? Are

they looking at other forms of generation of electricity, particularly on a small scale?

MR. CRAIK: There has been a look at other water power undertakings on a small scale, Mr. Chairman, by Hydro and there have been some looks, examinations of things like wind power. One of the difficulties is that hydro power projects of a small scale encounter difficulties in our type of environment because usually of icing problems and such like in the wintertime, whereas they may work in other environments where you do not have an icing problem or a maintenance type of problem. You do encounter them here but there are looks being taken at things like wind power applications.

MR. EVANS: Those are all the questions we have on this item and we'd like to pass on to the next one.

MR. CHAIRMAN: (1) — pass; (2) — pass; (a) — pass; (b)(1) Salaries — pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I wonder if this would be the correct section to ask the Minister about a rather innovative energy conservation program that Manitoba Hydro has? I really don't know too much about it but I understand it's a very specialized program that's designed to save electricity as far as lighting is concerned at Hydro's head office. I wonder if the Minister can tell us a little more about it? —(Interjection)—

MR. CRAIK: I am not familiar with it, Mr. Chairman.

MR. WALDING: Mr. Chairman, the Minister of Natural Resources made perhaps a flippancy remark a few minutes ago. He said, "turn every other light off." My limited knowledge of the proposal at Hydro is not quite that but I'm told that it works along a similar method, that —(Interjection)— No, it's a little more sophisticated than that. I'm told, Mr. Chairman, that the building is divided into certain number of modules, each of which have a light sensor on them. They are connected to a computer which continually monitors the level of the intensity of illumination in each of these modules and as the sun comes up and as the clouds move across and the light on the building itself varies, that the computer will, you know, turn the lights up a little bit or down a little bit. (Interjection)— no, you turn it down a little bit. (Interjection)— Mr. Chairman, this is a bit of a one sided conversation. If the Honourable Minister wants to join in the debate he should stand up and do so. It looks as if it might be a humorous one from the way it started off.

Mr. Chairman, I don't know too much else about the project except that I'm told that it's attracting a lot of attention. There are a lot of other companies throughout the city who have an interest in it and Hydro intends to use it as a demonstration project and hopefully to encourage, you know, other users of Hydro to investigate the possibilities of using something similar for themselves. (Interjection)— We have another comedian in the committee, Mr. Chairman. I'm told that the project is designed to . . . I expect it to cost something like half-a-million dollars or a little over that and is expected to pay for itself in about three years in energy savings.

Now the Minister says he doesn't know anything about it, which I find a little surprising that it's such a new and innovative program and would appear to fit in very well with the government's policy on the conservation of energy. I was rather assuming that he would be quite familiar with such a new project and would give us a very glowing report of how it's going. However, since he's not familiar with it I have to be interested enough to look into it because I'm sure he would like to endorse such an energy saving project.

MR. EVANS: I wonder if the Minister could enlighten us on what we are going to get for the \$320,500 under Conservation and Renewable Energy? What are we getting for it; what are the taxpayers of Manitoba going to get for this a third of a million dollars? Could he just briefly tell us?

MR. CRAIK: Mr. Chairman, I'll give you verbatim details but the primary function of this group is on the information end and it is basically the information centre that has been set up and is operational as I indicated at this point in time, in the short time that it's been operational, is handling about 200 inquiries per week on the various programs that are available or on just ordinary information dissemination on conservation inquiries and that's where most of it goes. There have been, if you want some details, 14 seminars, conferences and meetings since November. In many areas of the province we have a toll free line connection to all parts of the province so that inquiries can be made and I think that's where pretty well all of it goes, either for staff or for setting up of the information centre with the periodicals and the literature that is required and the backup that may be required for it.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Brandon East.

MR. EVANS: I have a number of areas that I'd like to ask the Minister about regarding new techniques, conservation and the utilization of new renewable energy procedures.

Very specifically, Biomass Incorporated, a small group in Manitoba that have sort of led the way in this area; some years back we tried to persuade the Federal Government to spend some several millions of dollars in Manitoba on a biomass project. In fact it cost us a few thousand dollars to prepare the study to present to, I guess it was Mr. Whelan at that time, he was then as he still is, the Minister of Agriculture. We had hoped that the Federal Government in its wisdom would put a multi-million dollar biomass technological centre and research and development centre in Manitoba. Now that was through the Department of Industry and Commerce at the time; perhaps it's still there, I'm not sure. It seemed to me it's more appropriate to be in this department and particularly under this item so my question to the Minister is, what is he doing with this group vis-a-vis Biomass Incorporated of Manitoba? Are we still funding them, is this branch working with some very good people there who are in many ways donating their time and they have a great interest in new methods of creating energy, new energy sources, renewable energy?

MR. CRAIK: Mr. Chairman, we make grants to Biomass and to the Solar Energy Society, better

known I guess as SESCO and the Biomass group has just recently — well, in 1980, they sponsored the Canpac Conference which was the one to do with alcohol use, gasohol, and will be doing this all again in 1981 which has turned to be a very useful conference from the point of view that Manitoba is the only province that has moved into gasohol with the incentives that are available here. The 1980 conference turned out to be a very valuable one because it brought in all sorts of contradictory opinion with regard to use of gasohol or alcohol production and there is going to be a follow-up to it in 1981 based on the fact that in 1981 there will be some track record or maybe more mileage recorded with the use of gasohol. I think in that connection it's worthwhile to report that in 1980 the Federal Government took a position which was diametrically opposed to what Manitoba did and it looks like in 1981 they are going to reverse their field and be supportive of what Manitoba did which is one of the first times I've ever seen them reverse their position on anything. So that's probably a pretty good sign in terms of the incentive or the push or the endorsement that might come along from the Federal Government for the promotion of gasohol or other substitution programs for regular gasoline.

So Biomass is actually sponsoring that and we're just in the process now of funding them separately for sponsoring that. They carry on a library operation as well as SESCO as far as I know and have been active in the dissemination of information and we are supportive of their operation. They are a very dedicated group of community people that carry on their work as they have been for the last 10 years or so.

MR. EVANS: I'm glad to hear that the department is supportive of the Biomass group and the Solar Energy Society. Just a brief comment on the gasohol plant. Of course, as I understand it as a layman, for gasohol to be practical on an extensive scale you always have to look at the cost of producing vis-a-vis other conventional fuels that are around and I gather it's very successful in some Latin American countries because of the very very high cost of gasoline and they are going on in a very extensive scale. I would submit, Mr. Chairman, that the reason we have a gasohol plant in Manitoba is because we virtually had a defunct plant, one time owned by Melchers. Well, let's face it, I would suggest with all due respect, Mr. Chairman, that we would not have a gasohol plant at Minnedosa if there wasn't an idle, virtually an idle facility sitting there that had gone, not bankrupt but —(Interjection)— that had fallen. Well, you had a lot of spirits sitting there aging and so on but the fact is that it was not a success, unfortunately, and we tried to help them incidentally, years back. Unfortunately it was not a success as a normal distillery just in contrast to what has happened in Gimli where Seagram's have been very successful in Gimli; unfortunately Melcher's have not been successful in Minnedosa even though the good folk of Minnedosa paid quite a bit towards helping that industry, way back when, before you and I were in this House. Way back when, the good folk of Minnedosa helped that plant a long way with various —(Interjection)— well, at any rate I submit you would have no gasohol facility in Manitoba if there wasn't this facility already in place and let's just recognize the reality of gasohol.

I would like to ask the Minister a question about central heating because central heating or district heating is also regarded as a method of conserving energy and we have still in the City of Winnipeg a central heating facility. At one time, years back, we used to have district heating or central heating in the west end of Winnipeg and indeed there was a central heating facility in the City of Brandon which only went out of operation about 12, 13, 14 years ago, not too long ago.

Throughout Western Europe there is an extensive use of what they call district heating where you heat hot water and distribute it throughout the subdivision of a city. Instead of having a furnace in each house you have hot water coming in and then you have an exchanger which in effect causes it to be distributed through the house; you somehow or other get it circulating in the house. Of course, this is tied into thermal generation of electricity too, so it's rather complicated and the Economics Branch don't dictate an extensive use of district heating at this time in Manitoba but we do have a central heating facility in Winnipeg. I'm wondering whether this branch has done any investigation of ensuring that facility which is rather getting old and perhaps could be utilized in an additional way or some other way and that is through the recycling of garbage.

Many many cities are moving towards using garbage as a means of generating energy, of producing heat. I think it's in St. Louis in the United States there is a huge facility there — I may have the city wrong but I think I'm right — where they do use garbage to produce heat. I'm not that familiar with it but I believe they produce some electricity in the process, thermal generation, but I'm suggesting that it may be worthwhile for this group if it hasn't done so to explore this area. I just wonder if the Minister can enlighten us. Is there any research going on in the area of garbage utilization to produce heat or thermal electricity?

MR. CRAIK: Yes there is, Mr. Chairman, and there has been some study done over the last couple of years with regard to setting up lower than traditional temperature circulated fluids and combining it with the use of heat pumps and other things in the burning of refuse and garbage and off-peak storage of energy in such a facility. Of course, there has been discussion with the City of Winnipeg with regard to looking at the old central heat facility to begin with, the possibility of looking at in a detailed way, the feasibility of a central heat source for the downtown Winnipeg area where the old facility is.

I have to tell the member though, that in new communities now, with energy efficient housing coming on the market, I would say that there is probably less justification for a central system now than there may have been prior because there is now and will be a greater acceptance of energy efficient housing. In the pure housing sense, I think we're on the way to seeing housing standards improve substantially. I think we'll probably find that it's not economic to go to a central distribution system other than by that central heat system but rather just use either gas or electrical as supplied to the energy efficient housing, whether it's single-detached housing or whether it's multiple.

Now the technology has developed to such a point that actually the energy requirement can be kept to a

remarkably low level, a level that would not have been accepted as being realistic even a few years ago. I think likely that central heat systems are going to turn out in the cases of housing, whether it's multiple or whether it's single family, it's going to turn out to be the least economic or the much less economic type of approach than it is to simply go to the greater energy efficiency in the housing with the heat exchangers and other things that are possible these days as a result of the technology that has just emerged in the last two or three or four or five years. I think you'll find the central heat systems are probably not competitive on an economic basis but you can stick by the traditional sources of heating rather than going to a complicated distribution of the medium from which to extract heat.

MR. EVANS: I think that I have no quarrel with what the Minister says but I was specifically talking about, I think it's the Amy Street plant, and the system sort of is in place for downtown Winnipeg; we're talking about large buildings, office buildings and so on. I wondered whether the department was doing any study in that area specifically to see whether that sort of central system, if the capital is in place, whether it would make sense to assist the City of Winnipeg to maintain that type of facility. I related it also to the use of a rather intriguing idea that was suggested to us some time back that one way to dispose of garbage is to burn it.

It's complicated because you need different kinds of furnaces and all the rest, I appreciate that, but specifically, has any work been done in this existing central heating system to see whether the province is prepared to help the City of Winnipeg to maintain this central heating facility which is getting antiquated and, I don't know, may be shut down at some time unless something is done?

MR. CRAIK: Mr. Chairman, I can only indicate to the member, I think we've had an application from the city to undertake a detailed study of the feasibility of using the old system and that's the stage it's at now.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Brandon East.

MR. EVANS: A different area then. What about the recently announced, I think it's a subsidiary of PetroCan, known as Enertech Canada? I understand this is the alternative energy corporation set up as a subsidiary to PetroCan. I believe the head office is here in the City of Winnipeg. I appreciate it's federal but I presume there will be some liaison with this particular branch. Has there been much joint activity with Enertech Canada and is there any possibility of some demonstration projects or experiments or what have you, that corporation could possibly find? Are we suggesting to them different ideas or proposals they might pursue here in Manitoba?

MR. CRAIK: Mr. Chairman, I think that Canertech which is I think the name they refer to; it started out as Enertech Canada but it's officially referred to as Canertech. I think there has been some liaison with them. It would appear that their major emphasis is going to be on the capitalization of joint venture projects with the private sector between the

Government of Canada and the private sector. We don't really have very much more information at this point in time except that their terms of reference direct them towards renewable projects and the undertaking of production of renewable type of equipment and undertakings where there is joint venture capital required. Whether or not they're going to fund renewable projects yet, I'm not clear on and I suspect that they're still getting their feet under them. They have a capitalization of \$20 million but what their annual budget is, I don't know but they have to start with some \$20 million capitalization to start with and their headquarters are to be here in Winnipeg.

MR. EVANS: This may be covered under (c), but I wanted to ask nevertheless whether there is any conservation and renewable energy agreement between Canada and Manitoba as there is I know at least between Canada and Prince Edward Island. Perhaps that's under (c), I don't know, but is there any joint agreement with Canada on energy conservation programs, renewable energy programs?

MR. CRAIK: There's a very wide scope allowed under the Canada-Manitoba Agreement, Mr. Chairman, and that's a \$18 million combined 50-50 program over the next four years. The total as it started, it was a five-year program eith about four years still to run and that is just nicely becoming operational. There have been several grants made under it, some on renewables, some just on pure conservation-type programs, mainly directed at support to industry.

MR. EVANS: Just a couple of more brief questions, Mr. Chairman. On the matter of propane fuel systems, I understand the Government of Canada provides grants up to \$400 per vehicle as an incentive to convert gasoline fuelled vehicles in commercial fleets, you know, trucks, taxis, etc., to propane fuel systems. Is this branch monitoring this matter in the Province of Manitoba? Is anything happening in this area?

MR. CRAIK: I don't know if it answers it, Mr. Chairman, but one of the programs under the Canada-Manitoba Program was to fund an experiment with the Manitoba Telephone System where 25 vehicles were converted to propane, 25 of them are going to be on gasohol and I guess a controlled group of another 25 on straight gasoline. That will become operational as soon as the gasohol becomes available so that there will be a body of knowledge built up over the next several years to be relayed back and presumably has a sound enough basis to be able to indicate to the public what the benefits and the losses are from going to either of those two fuels as alternate to gasoline.

MR. EVANS: I'm sure there will be general interest in the outcome of that demonstration project; I welcome that news. I think the public in general will be interested in the outcome.

Another alternative. The problem of course, Mr. Chairman, is with petroleum products, gasoline, that's where we're short in Canada. We seem to be blessed with other forms of energy but there's another area I believe the Federal Government is

prepared to get into a joint arrangement with the provinces and that is a demonstration program using compressed natural gas as a motor fuel. I'm just wondering has the Government of Manitoba given any thought to this kind — I'm not saying whether we should or not, I'm simply seeking information whether we've signed any agreement or there's any move towards this kind of a demonstration program, compressed natural gas.

MR. CRAIK: We've decided, Mr. Chairman, pretty well to leave that one up to others. We've carved out gasohol and propane and the other to be the area in which we would experiment, but not natural gas.

MR. CHAIRMAN: (1) — pass; (2) — pass; (b) — pass.

(c) Canada-Manitoba Energy Agreement, (1) Salaries — pass — the Honourable Member for Brandon East.

MR. EVANS: I wonder if the Minister would be kind enough just to briefly explain what essentially is in the agreement. He did say that it could include these energy conservation programs but what else besides energy conservation projects would be covered under the Canada-Manitoba Energy Agreement? Are there any new developments occurring?

MR. CRAIK: I think it might be helpful, Mr. Chairman, to give the members the full name of the program so that it will reveal a little more. It's called the Canada-Manitoba Agreement on the Development and Demonstration of Energy Conservation and Renewable Energy Technologies. The programs that are under it really fall under either Development or Demonstration. The one I mentioned that we're doing for instance, for example, with the Manitoba Telephone System, is a demonstration project, whereas on the development side, one of the more recent grants that was made was to Carter Temro who are developing a new thermostat that is supposed to be energy efficient and really restrict and make much more efficient use of the total energy requirement for block heaters in vehicles and hopefully will bring about a greater market penetration by Carter Temro in the North American market for heaters. There you have it aimed specifically at a development; on the other side it's aimed at demonstrating whether or not propane, gasohol or any other fuel, whether it was a methanol fuel or others, might be added to it at some point in time, a demonstration-type project that could be related to the public and give them guidance as to what types might be in their own best interests.

Again, the name of it is Development and Demonstration of Energy Conservation and Renewable Energy Technologies.

MR. EVANS: Just another question. How long is the agreement for? Is it a five-year agreement subject to renewal or a three-year agreement?

MR. CRAIK: It expires March 31, 1984.

MR. EVANS: So it expires March 31, 1984. Would it be subject to renewal at that time? I guess it's subject to negotiation.

MR. CRAIK: It's an open question. There's two parties to it, both the Federal and Provincial Governments.

MR. CHAIRMAN: (1) — pass; (2) — pass; (c) — pass.

(d) Canada-Manitoba Energy Bus Agreement, (1) Salaries — pass — the Honourable Member for Brandon East.

MR. EVANS: What is happening under this program? Would the Minister just take a couple of minutes to explain what, if any, has been accomplished in this energy bus project?

MR. CRAIK: Basically, Mr. Chairman, they go to the various, principally, industrial establishments, where you have the real heavy energy consumption going on and a lot of it is losses that are occurring — energy losses from facilities and processes and they go in with their technical capability as well as their computing capability by way of a mobile computer in which they can take measurements, put it through the computer in a calculation and then indicate to the party, the owner, what is happening in his facility and where he might make some energy savings. I can maybe give the member some better idea by maybe indicating to him that the kinds of facilities that have been audited, in what you call this energy audit, with this program.

To start with the Fletcher Building was done which is a government building, the Seven Oaks Centre for Youth, the Manitoba Building, whichever one that is, the old Grace Hospital complex, Manitoba School for the Deaf, Red River Community College, CKX Brandon, the Brandon General Hospital and these are samples, the Memorial Hall in Carman, the Roblin and District Centennial Centre, the Gull Harbour Resort and the Altona Firehall, and so on down the line, just to name a few where they've gone in and done their audit and then presented the operators with the energy audit and brought to their attention energy conservation measures that might be undertaken.

MR. EVANS: How does this relate to another project, perhaps not done under this agreement, but done by I guess Manitoba Hydro, I'm not sure — where they photograph the community from the air and at one brief second, part of a second, can give you some idea as to which houses are energy inefficient — in other words which houses could stand better insulation? Really what you're trying to do with this energy bus is virtually the same thing only on a more detailed basis I imagine because you're doing one large building at a time, whereas the photographic method, the aerial photography, gives you a very crude indication as to whether there's much energy escaping in the winter from different buildings.

MR. CRAIK: Mr. Chairman, that was a program that was assisted by Manitoba Hydro and I know that the City of Brandon was done. It's really a photographic technique that tells you where the leaks are and sort of the degree of badness or goodness that's associated with them but it doesn't actually give you measurements of heat losses. It tells you where the problem areas are likely to be. It's a photographic technique that involves infra-red photography and I think officially they call it thermography that does give some idea and you can take pictures of buildings either from close up or from an aerial view

and get some idea of where the problem areas might lie.

MR. EVANS: I saw the project in Brandon. I saw the results of the photography and I talked to a lot of the people and I was very pleased to see that had occurred and I think a lot of people were guided by that. I know my own house could stand some more insulation.

At any rate just one last question. How long is this Energy Bus Agreement? When does this expire? Is it subject to renewal as well?

MR. CRAIK: It's present agreement is until 1984.

MR. CHAIRMAN: (1) — pass; (2) — pass; (d) — pass; Clause 2 — pass.

Resolution 58. Resolved that there be granted to Her Majesty a sum not exceeding \$1,755,800 for Energy and Mines. Energy, \$1,755,800 — pass.

Resolution No. 59, Clause 3. Mineral Resources, Item (a) Administration, (1) Salaries — pass; (2) — pass — the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I was waiting for the Minister to get up to make his introductory comments on this section. However since he is not indicating that he wants to I will ask a few questions relating to the item which I requested that he have his staff prepare some information on the other night. That is with respect to the Trout Lake deposit and the Trout Lake mine development. At that time I gave him some very specific figures which were given to me and asked if he could verify the accuracy of those figures in terms of the tonnage of copper available that was found and proven to be there, and the amount that was estimated to be in place, and the potential profit from that mine based on the known reserves and the projected reserves. I also asked him if he could indicate what the arrangement was with the companies involved.

I notice that in his introductory statement on Tuesday, Mr. Chairman, he indicated that in referring to his Estimates that there was a reduction in the Acquisition/Construction funding section of his Estimates as a result of a reduction in contingent liabilities brought about by the successful conclusion of a joint venture agreement on the Trout Lake mineral deposits.

So I would expect, Mr. Chairman, that in this section he could outline to us what exactly was the conclusion of that joint venture agreement, what arrangements have been made and hopefully he would be able to agree to table the agreement or agreements that were signed in this case so that we would know on this side of the House exactly what kind of arrangement the government has made on behalf of the people of Manitoba.

There were some very specific questions which I presented to the Minister the other night when we were discussing these Estimates and I would hope that he would have some answers for them at this time.

MR. CRAIK: Mr. Chairman, there were a number of questions asked as the member has indicated by himself and also by the Leader of the Opposition.

With regard to the reserves, the proven reserves are 3 million tons, grading 3 percent copper and 4.5

percent zinc. The royalty question, the answer to that is that the venture will pay normal taxes in royalties; there's nothing special or particular about it.

As far as the specifics go beyond that, there are some difficulties encountered in that there are two other partners involved. If the member wants estimates of profitability and so on there is some difficulty. We can tell him after the fact but it's difficult to forecast it for him in view of the fact that there are two other partners involved in the picture. I don't really have a great deal more information that I can offer to him in that regard. I can tell him a few things but they're fairly speculative. It's not because there's any information that's known that's being withheld necessarily, it's just that there's a degree of speculation about any figures that would be given to him. On the basis of 3 million tons the gross value per ton was 3 percent copper, it works out to \$60 per ton of copper at \$1.00 a pound and 4.5 percent zinc, it works out to \$40.50 per ton of zinc and that's at 45 cents per pound, and there'd be 90 pounds per ton of zinc, and the total then would come to roughly \$100.50 per ton. So the total gross revenue for 3 million tons at that would yield \$301,500,000.00. Now that analysis is based on 100 percent recovery which is not the operating case so that the actual recovery would be somewhat less than that.

MR. BOSTROM: Mr. Chairman, just to follow up on the royalty section. I would like to have a more specific answer from the Minister and ask him if the royalty has been waived or fixed under the present agreement. He's rather vague in his answer to me I believe in that he said that the normal rates would apply after a while, I think he said. I would like to know what the royalty rate is agreed to be. Is it the normal royalty rate which is in effect for every other mining company in the Province of Manitoba and under normal circumstances would they be subject to the royalty that's in effect from time to time. That is if the royalty rates were changed for all other companies in the province, would that mean that royalty would also apply to them or has there been some special arrangement made with them which would exempt them from any future changes in the royalty rate?

MR. CRAIK: Mr. Chairman, the normal royalty to the province is 18 percent based on an income tax basis. There are no special arrangements provided to this joint venture that wouldn't be available to any other mining venture. The only part that does enter into it is that the provincial part of it will not pay federal income tax.

MR. BOSTROM: Yes, Mr. Chairman, I understand therefore that there have been no special arrangements with respect to royalty. I'm still concerned however with the kind of arrangement or the kind of joint venture agreement which was entered into by the government with the two companies involved, Granges and HBM and S. Could the Minister indicate to us what exactly the terms are and what each company is expected to share in the profits from the mine?

MR. CRAIK: As I indicated last day, Mr. Chairman, that 27 is the provincial, 44 is HBM and S, and 29 the balance, is the other part or Granges, so the

profits from the operation will be split according to that ownership.

MR. BOSTROM: Mr. Chairman, how much of the government's share of the mine did they sell to HBM and S at the point at which HBM and S bought into the property?

MR. CRAIK: Mr. Chairman, as accurately as my information will provide at this point the Crown, to start with, had roughly 47 percent which would have left Granges with 53 percent and the proportion given up by each of those two parties is proportionate and yields 44 percent to the operating partner who is HBM and S.

MR. BOSTROM: It's also my understanding, Mr. Chairman, that HBM and S bought the shares from these two companies for a total price of \$28 million; is that correct?

MR. CRAIK: They committed that amount to development of the mine.

MR. BOSTROM: My understanding then is that for consideration of the payment of \$28 million towards the production work on the mine they were allowed to receive 20 percent of Manitoba's share, that is, not 20 percent of the share, but 20 percent of the whole mine, that 20 percent coming from the Manitoba share and some 24 percent of the whole mine coming from the Granges share to make a total of 44 percent of the total mining venture for consideration of \$28 million.

My concern with this, Mr. Chairman, is that I believe my figures to be reasonably accurate, that is, the ones that I presented to the Minister the other night. He has confirmed the ones which related to the proven reserves, that is that there are 3 million tons of proven reserves at a grade of 3 percent copper. Just taking the copper into consideration, Mr. Chairman, there's 180 million pounds of copper and the value of the reserves in place based on the value of copper, Mr. Chairman, would be \$180 million just for those reserves alone, the known reserves. Mr. Chairman, it's reasonable to estimate that this mine would be similar to other mines that are operating in the Flin Flon area and that is that mines in that area are usually in excess of 1,000-foot depth, in fact the 1,000-foot depth is the depth of the known reserves at this, as I understand it. They are usually in excess of that and it could be as high as 5,000-foot depth and if that were the case the value of the ore in place based on copper only, disregarding the zinc, would be approximately \$900 million.

Mr. Chairman, the cost to recover that and turn it into a valuable salable mineral would be approximately 50 cents a pound based on an estimate of HBM and S 1980 costs. That would leave a potential profit from that mine based on those projections of \$450 million. Well, Mr. Chairman, the government of Manitoba gave up 20 percent of that potential profit, that is, \$90 million. They gave that up for a share of the \$28,000 investment of HBM and S in that mine. (Interjection)— Oh, I'm sorry, 28 million. Mr. Chairman, for consideration of \$28 million the HBM and S were able to realize on these projections a possibility of sharing in the profits, their

share of the profits, that is, being \$198 million. That's not a bad return on investment; \$198 million for an investment of \$28 million.

My concern here, Mr. Chairman, is that that \$198 million could have been coming to the Province of Manitoba and to the people of Manitoba through this government. If they had continued and held on to their 47 percent share, in fact it would have been in excess of \$198 million. For the Minister to say that somehow he had to go along with this agreement in order to have access to the Hudson's Bay Mining Company smelter operation or refining operation, I think is ridiculous, and if he is saying that, if that is the case that he is making, then I would say that the Province of Manitoba paid too high a price for the luxury of being able to put this material through that milling process, that there must have been a better way to organize this and a better way to bargain and it should have been possible for the Province of Manitoba to have arrived at a better business deal.

I note, Mr. Chairman, that in his response to the Opposition criticisms the other day, he maintains that this was a good business deal and I'll quote him, he says, "It was good. It wasn't a philosophical decision. A philosophical decision had absolutely nothing to do with it. It was a straight business deal. That's what it was." Well, Mr. Chairman, what kind of a business man would make that kind of a deal, sell out over \$200 million worth of potential profit for approximately \$14 million? That's the share of the \$28 million that could be attributed to the Province of Manitoba.

So, Mr. Chairman, I think this is a scandalous way to handle the resource development in our Province. I can't see why the Minister who proclaims to have the interests of the Province of Manitoba at heart and wanting to get a better return for the people of Manitoba would have made such a ridiculous deal. Now the Province of Manitoba is only going to be entitled to a 27 percent share when they could have had 47 percent? They are going to be entitled to their share of that which would be at least \$90 million less than they would have received if they had continued with their existing former level of ownership in that mine. So, Mr. Chairman, I'd like to know what the Minister's comments are in this regard.

MR. CRAIK: Mr. Chairman, I've never heard such a ridiculous argument in all my life. That's like saying, the milkman that we pay 72 cents a quart for milk pockets the whole 72 cents. (Interjection)— He does. He said \$100 a ton; \$1.00 a pound. (Interjection)— Oh, I see. So by his calculations he is basically saying that there is a \$90 million spread there for the province. Well, you know, I've really never heard anything really quite as outlandish ever presented before here; this is just unreal.

The other part of it is, you know, if it's that bad a deal —(Interjection)— There was a third party, for goodness sakes. Does he not realize that the majority partner that was in this had a majority interest in it, got exactly the same return? How can he stand there and suggest that the government has unilaterally made a bad deal for the people of Manitoba? What has really been made is that two people, one a majority, one a minority, and the government was the minority, decided that they were going to make a deal that was in the interests of

both to bring in an operating partner, who had the smelting capability to do it, some few miles away from the location of this mine and went into an agreement with them, and that's about all there is to it. But for him to try and parlay a gross price into a gross profit is one of the most outlandish things you could attempt to do. I have no doubt that the member will not be prevented from doing so. He'll continue to say that, you know, that the milkman is pocketing half, at least 36 cents out of the 72 cents out of his quart of milk or maybe he'll even say he's getting the whole thing because it's a mining company and not the milkman. But, Mr. Chairman, to waste time, trying to explain this to the member is like, you know, trying to persuade the milkman he's getting the full 72 cents or for the least, 36 cents of it.

MR. BOSTROM: Mr. Chairman, it's the Honourable Minister who seems to have problems with financial information and if he had his ears open when I was speaking he would have heard me say that the projected sale price of the projected level of copper in the mine based at the dollar a pound selling price would be approximately \$900 million and at a recovery cost of 50 cents a pound which is based on an estimate of HBM and S's 1980 costs it would be \$450 million off of that, so there would be a potential profit, after taking off the cost of production of \$450 million, and I'm saying that the Province of Manitoba would have been entitled to 44 percent of that if they hadn't been so precipitous and irresponsible in selling off 20 percent of their share —(Interjection)—

Well, Mr. Chairman, where are we going to smelt it. I would like to have the Minister seriously consider whether or not the company that is right next door would not have been persuaded to handle that through their milling process. I would have liked to have seen a mining company operating in Manitoba refuse to take the ore from this company and put it through their milling process. They're going to do it now so obviously they have the capacity to do it; obviously they have the capacity to do it, and there is plenty of money here, Mr. Chairman. There is plenty of leeway here to pay the company a good dollar for doing the smelting, for doing the refinery work. In fact, Mr. Chairman, the Government of Manitoba is paying them a very high price for utilizing that refinery process. They are paying them a very heavy premium. They are paying them \$90 million out of their profits; \$90 million essentially they are paying them for doing the smelting work on the potential reserves of this mine. That's \$90 million that the people of Manitoba will never see because of the irresponsible actions of this Minister.

If he wants to challenge these estimates, Mr. Chairman, I accept that challenge and I throw it back at the Minister and say, let us put this to an independent engineering analysis and let them tell us whether this is wrong. Let us have someone who can make a report to the Legislature of Manitoba, to this Minister, and to this Opposition, and tell us whether or not these figures are wrong, because, Mr. Chairman, this is a very serious charge. If the Minister has short changed the people of Manitoba by \$90 million and if he is assured that I am wrong and he is right, then he should readily agree to having such an independent review, and that is my

question to this Minister, is he prepared to have that independent review?

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Mr. Chairman, I can't verify the Member for Rupertsland's figures. I don't know whether they are correct; I don't know whether they are wrong. I think that the future will tell whether there is that much profit in the mine. I think that it is very difficult to project what profit there is in the mine but I don't think that Hudson Bay Mining and Smelting Company gave up \$28 million in development costs on the basis that they were going into a bad deal. On the other hand the Member for Souris-Killarney, the Minister of Finance says, well Granges went into it, and therefore it is a good deal.

But, Mr. Chairman, there was one element as it was expressed by the Minister of Energy which he said revealed my true colour, because he said how are you going to smelt it? What he is now saying, Mr. Chairman, and I daresay that Hudson Bay would never say it, what he is now saying is that the Hudson Bay Mining and Smelting Corporation use leverage to get down to \$28 million by telling the Province of Manitoba and Granges that they've got their concentrate, that they can leave it in the ground, that Hudson Bay Mining and Smelting Corporation will not put that concentrate through their mill even if they've got the capacity because they are a dog in the manger and they're going to see to it that the people of Manitoba do not make money on that money, and then he say I've shown my true colours. He says that it's quite all right for the Hudson Bay Mining and Smelting Corporation to tell the people of this province that they will not custom mill their concentrate which they will probably do for anybody else, and that they are going to hold up the people of this province and give them less than the mine is worth and use as a hostage their smelting capacity — that's what he said, and then he said I showed my true colours.

Mr. Chairman, I said I would have no hesitation — no hesitation — and I put this on the record that if there was smelting capacity in the Hudson Bay Mining and Smelting Corporation on concentrate that they are taking out of the grounds from the people of the Province of Manitoba and running a mine in our province and there was an ore body of anybody's, Mr. Chairman, not the public's, of anybody's, if there was ore body in the vicinity of that smelter and that ore body was owned by Falconbridge, or if it was owned by INCO or if it was owned by the Minister himself or Red Deer Mines or any kind of mine that you name and they said that that concentrate will not be going through our smelter even though we have the capacity, because we're going to hold up that mining company — I'm going to see to it that they give it to us for nothing rather than put the concentrate through our mine. Now whose colours have been shown up, Mr. Chairman, my colours?

MR. CRAIK: You left off the last chapter.

MR. GREEN: What is the last chapter?

MR. CRAIK: Past legislation.

MR. GREEN: Mr. Chairman, I have no hesitation in saying that if I thought a mining company would act

that way or if they did act that way there would be legislation in this province whereby they could not refuse to take another mine's ore body, and I say to you whether it is Falconbridge or INCO . . . but, Mr. Chairman, I know that the mining companies — (Interjection)— Mr. Chairman, I have absolutely no hesitation in saying it. You have a mining company in the Province of Manitoba that's got an ore body big enough for them to build a smelter and a refiner and there is another mine found in the vicinity and they have the capacity and they won't custom smelt it, but that they will tell that other mine that we're going to hold our smelter as hostage?

Mr. Chairman, there is absolutely no doubt in my mind that within a very short period of time under a government that cares that there will be without harm to the mining company, that material would be passing through their smelter. But, Mr. Chairman, the mining companies will custom smelt it; absolutely good stuff. I will go to the people of the Province of Manitoba and you tell your story and I'll tell my story and we'll see whether the people say that we will permit the existing mining companies to hold as hostage their smelting facilities rather than put it through. (Interjection)— Call it, Mr. Chairman, what you like.

You say that it's perfectly reasonable, let's get it on the record that the Minister says that it's perfectly reasonable for Hudson Bay Mining and Smelting Company — I know that Hudson Bay would never say it, and you say it's perfectly reasonable for Inco, and I know they will never say it because, Mr. Chairman, they told me otherwise. (Interjection)— No, you said, how are you going to get that concentrate smelted — that's what you said. You said, Mr. Chairman, that Hudson Bay would not let you put the stuff through their mill unless you made a deal to their advantage with regard to their ownership in the mine — that's what you said.

I say that's not true and if it were true, Mr. Chairman, the people of Manitoba would definitely have to deal with it, but the mining companies would not be so stupid. That's where the fly in the ointment lies. I don't know how much that mine is going to make. I rather think that Granges probably calculated it as well as they could and decided that they would probably use their money in further exploration and in the meantime they had a development partner to make up \$28 million. I don't know if that is a good deal or a bad deal and I don't know whether the Member for Rupertsland's figures are correct. What I do know, Mr. Chairman, is that if Hudson Bay put up \$28 million, that it was worth \$28 million for the people of Manitoba to put up and it would have cost them nothing, because when you put up \$28 million and you get value in 44, and I'll show you how they did it and how we lost it in very short order. That is not costing you money.

Some two years ago I bought two shares of Great-West Life and some reporter who I won't mention, but she was very naive, she said, you used your own money. to buy Great-West Life. Like it cost me money. So I said, what are you talking about? I can have \$72 or I can have a share of Great-West Life. At the time that I bought it, the share was not worth less than the money and the chances are that it's not going to cost me money, that it will go up. Well, I think Great-West Life is selling for over \$200 a share

now. So it didn't cost me money to buy Great-West Life, it made me money. It made me money.

All right, Mr. Chairman, I am saying that it would not cost money to put \$28 million into the mine and Hudson Bay knows that. Hudson Bay knows that it will make them money, and they showed it much more dramatically, and now we can look back; now we are not speculating into the future. We don't have to figure out what the prices are, etc.

We had an option and a right of first refusal on 50 percent of the shares of Tantalum Mines. Hudson Bay bought those shares for \$5 million. Before the year was out the mine netted after payment of taxes — now I hope the staff is here — at least \$5 million, so half of it was already back, already on the balance sheet. Mr. Chairman, I ask the Minister to get up, he knows the figures today. I'm going to make like a wild guess that Tantalum Mining will have made this year, \$10 million; \$10 million, that in the two years it made \$15 million, and that Hudson Bay rather than losing \$5 million by putting up money for a mine have already got that back plus the future earnings of that mine and that could have been owned by the people of the Province of Manitoba and should have been owned by the people of the Province of Manitoba because we saved that mine.

Do you think that private enterprise created that mine? The mine was created by a private enterprise venture but Mr. Winchell and his colleagues came into my office, Mr. Flugel, Mr. Winchell, and others, and told me that there isn't a private enterprise financial institution in the world that they could find that would bail out that mine; not a single one, and here's one where we went to the Manitoba Development Corporation and they said, we are not interested in mining. So we had to go under Part 2 of the Manitoba Development Corporation, under Part 2, and say we will accept responsibility for this investment and put in a million-and-a-half to own 25 percent of the mine.

Now the million-and-a-half was already turned over at \$2 million from one institution to another, from the MDC to the Department of Mines so that has been all right, but in addition, we are 25 percent of the profits of that mine and there will be profits from that mine. But if the Minister wanted an argument against me on the oil, Tantalum has gone up better than oil.

Well, Mr. Chairman, gold was \$35 an ounce or it probably was \$50, and now it's \$500; that's ten times? Mr. Haugh here would probably know what Tantalum is now. It was \$7.00; I'm sure it's almost \$70.00. Well, he's shaking his head up and down, so when you say not as good as gold, you're wrong again. As good as gold. As good as gold. That's what it's gone up to.

Now, Mr. Chairman, if Tantalum was a product which was the life-blood of the other provinces in Canada and we were the only supplier and we could name the price, the Federal Government would come into this province and put some type of control on Tantalum, which is what I say with regard to oil. They did it with regard to caesium. The mine sells caesium. It only took out something like \$300,000 a year, but it was good for their balance sheet, it was very good. The Federal Government stopped us from selling caesium to the Soviet Union and we didn't sell

any caesium to the Soviet Union after that and those were the years where we were losing money on the mine. In the years of loss, they wouldn't stockpile the caesium that they prevented us from selling. But caesium was sold by Tantalum to the Soviet Union and by the way, lest there be any political — I'm glad the First Minister is not here, he would be saying that we were selling caesium to the Soviet Union — it was being sold to the Soviet Union by the private enterprising mine before we got in. Tantalum was always selling whatever caesium they could sell; they would sell to the Soviet Union.

Just as my friends opposite, whatever their ideologies, are complaining that we didn't sell enough wheat to the Soviet Union last year because when it comes to trade, and a buck, ideologies are set aside, and that's what the Minister said, ideologies were set aside when they made the Trout Lake deal. Maybe that's so. Maybe that's so.

But if it was sold short and for a lower price because Hudson Bay would not let you use their concentrate, their mill, unless you gave them an edge on the purchase, Mr. Chairman, then we did sell short because that should not happen with any mine and I know that INCO would mine concentrate from other mines and so would the Hudson Bay.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Chairperson. I won't be as strong in my predictions as was the Member for Inkster because I don't really believe it is necessary to predict, and I think the Member for Inkster said that himself, when he said that he did not believe that Hudson Bay Mining and Smelting would refuse to custom smelt any concentrated ore coming from any mine in this province, or any other province, as long as they had a capacity to do so at their smelter. The Minister, earlier in the evening, by implication and innuendo, implied and levelled some very serious charges against Hudson Bay Mining and Smelting when he said that Hudson Bay Mining and Smelting — or he implied that Hudson Bay Mining and Smelting would not smelt that ore that came out of the new mine except at an exorbitantly high price.

Now that was the implication, I think the others on this side of the House, as perhaps did those on that side of the House, understood that to be the case. (Interjection)—

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, on a point of order, I'm going to raise this matter, it has gone some distance, but this does all come under Manitoba Mineral Resources and it is not in these Estimates. Mr. Chairman, it comes under Manitoba Mineral Resources, the specifics of this agreement can be well examined in the committee that examines the Manitoba Mineral Resources, the committee on Economic Development and if the members want to get the specifics of the transaction that is the place to do it.

MR. CHAIRMAN: We've got three on a point of order, we'll take the first one.

The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, it may be in another department. It may be that if we were discussing that, we could discuss it, but we are discussing mineral resources and because there is another place where it's discussed doesn't mean that we cannot discuss it under Mineral Resources. We can discuss any mine in the Province of Manitoba under Mineral Resources and the fact that there is another line under which it can be discussed surely does not preclude it from being discussed under this line.

MR. CHAIRMAN: The Honourable Member for Churchill on a point of order.

MR. COWAN: Thank you, Mr. Chairperson. I would have only hoped on the point of order that the Minister would have allowed me to finish my remarks because I'm certain had he allowed me that opportunity he would have understood quite well how it fits into this particular bracket. But I do agree with the Member for Inkster that the fact that any item in this House is discussed in another arena or in another form or under committee or another Estimates does not by that very fact preclude it from being discussed under the appropriate part of the Minister's Estimates.

I would suggest to you that if we are going to talk about mineral resources, if we are talk about this particular mine and Hudson Bay Mining and Smelting's activities that this is the appropriate place to do so. I can assure the Minister that we will have an opportunity to examine it under other avenues and we will take that opportunity and it will be well examined as he said during those debates as well but that does not stop us nor should it preclude us from talking about it at this point.

MR. CHAIRMAN: The Honourable Member for Rupertsland on a point of order.

MR. BOSTROM: I agree with the comments made. In addition to that the Minister himself entered this item in the discussion for his Estimates the first day on introduction of his Estimates when he indicated that there is a line in his Estimates which discusses the conclusion of the joint venture agreement on the Trout Lake mineral deposit. So the Minister introduced this himself into these discussions and I would expect therefore that the Opposition members could also discuss this item.

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. CRAIK: Mr. Chairman, there is no question about discussing the principles but the members have gone far beyond that. They are discussing the specifics of a business transaction and if they really want to get answers to their questions — and I say if they really want to — the place to do that is in the committee where the people who are involved in the business transaction will be available, but if you're going to go beyond the principles of whether or not the government is involved in this sort of thing and whether the Manitoba Mineral Resources as a Crown corporation ought to be, that's fine, but this discussion has gone far beyond that. (Interjection)— You are talking about the specifics of whether 44 percent transfers into 27 percent and

gives a specific return, and why, and if Granges didn't do it what would you have done, and was Hudson Bay Mining & Smelting in an opportune position and all the rest of it, you're going to have to direct that to the people who basically were involved in the negotiation of the transaction and that is Manitoba Mineral Resources. To do otherwise, Mr. Chairman, is to simply recognize the fact that a Crown corporation is not responsible in these areas.

MR. CHAIRMAN: The Honourable Member for St. Johns on a point of order.

MR. SAUL CHERNIACK: Mr. Chairman, I'm just wondering if I could make a contribution which I think would be limited largely to reading the description of the item you're dealing with and I want to read it into the record, Mr. Chairman, with your permission. "Mineral Resources provides for the administration and management of the province's mineral resources, including the disposition of Crown mineral rights, the regulation of mining and quarrying operations in oil production, employee safety and health, rehabilitation mining lands and the collection, compilation and dissemination of information on mineral resources." Mr. Chairman, I have heard nothing that was not included involved in the administration management of Mineral Resources, etc. I don't think that there should be an opportunity given to avoid discussing the minerals of this province and how they are being administered and managed by anybody, Mr. Chairman.

MR. CHAIRMAN: The Honourable Minister on a point of order.

MR. CRAIK: On the same point of order, Mr. Chairman, if the members want to question whether the Government of Manitoba should dispose of the direct interest to the Manitoba Mineral Resources Corporation, that's one thing but to then get into the debate as to whether Manitoba Mineral Resources has made a transaction in the interest of the province is quite another thing.

We have been dealing entirely with a transaction that has been taken to its extreme here between Manitoba Mineral Resources, Granges, and Hudson Bay, and I simply say that if you are going to get into those kinds of details, the place to do is when MMR is before the committee and not here. If on the other hand you want to debate whether or not Manitoba should delegate to MMR the responsibility for doing so, that's one thing, but don't expect to get into a detailed debate here on whether or not the 27 and the 44 and the other things were negotiated in good faith and who took what position and where in the negotiation. It's simply a waste of time. (Interjection)— The member across the way says, so you're not responsible. You know, I didn't set up MMR, it was the boys across the way that did it. They set up Manitoba Mineral Resources to enter into negotiations as a responsible Crown corporation. If they are now saying that they made a mistake, fine, let them stand up and say so, because I think that's basically what they are saying. We are getting into a kind of detail here that is the kind of detail that should be addressed in the committee with the responsible people, Mr. Kaufman and his cohorts from Manitoba Mineral Resources available to

answer the questions. That's assuming, Mr. Chairman, that they are in fact interested in posing legitimate questions. If they just want to score debating points that's another. Then they can debate whether MMR should be in business or not.

MR. CHAIRMAN: The Honourable Member for Churchill on a point of order.

MR. COWAN: On the point of order, Mr. Chairperson, I understand full well, as I think all in this House understand the Minister's sensitivities and the need and the cause of such sensitivity on the part of the Minister. However, if you will review the Hansards, I believe you will find, Mr. Chairperson, that we are only, or at least I in fact, and I think the Member for Inkster and the Member for Rupertsland are addressing ourselves to comments which were made by the Minister either on the record or from his seat, and we are trying in fact to question the Minister as to what caused him to make those comments. For instance, he had in fact levelled a very serious charge against Hudson Bay Mining and Smelting. I was attempting to ask him when I was interrupted to verify and to detail that charge because I was quite frankly surprised by it.

So it was an action on my part which was in fact precipitated by an action on the Minister's part which came about as the result of the Minister's introduction of his particular Estimates when he said that there would be an opportunity in a line to discuss these matters. I think we should be allowed the opportunity to discuss these particular matters in this place and before any other committee where those matters can be discussed. I think this is a legitimate vehicle for the discussion of the government's activities in respect to the mine and in respect to statements that the Minister made during the course of this evening's debates.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, directly to the point of order, what was being discussed is potential mineral policy whereby a mine in the province of Manitoba would refuse to do custom smelting in order to put somebody else over the barrel. (Interjection)— Mr. Chairman, that's what they said. They would now like to take it back because they showed their colors but, Mr. Chairman, to the specific point of order the Minister is mistaken. This was not the Manitoba Mineral Resources. It was not we who set it up this way. The 47 percent was not entered into with Manitoba Mineral Resources. You ask your staff. It was entered into by the department. The 47 percent was a departmental share. Manitoba Mineral Resources had no share in the Brangus Exploration.

MR. CHAIRMAN: Order please. Order please. Would the honourable member speak on the point of order? That's how he is being recognized, on the point of order.

MR. GREEN: The Minister suggested that this was set up under our administration and a negotiation was set up as a birch of our administration. The 47 percent was owned by the department, by the Crown, and it was the previous Minister who

transferred it to the Manitoba Mineral Resources and it's done under their administration, not under our administration, not under our administration.

MR. CHAIRMAN: On the point of order, I would ask for some co-operation on behalf of all of the members so that we . . . The Honourable Member for Inkster?

On the point of order, I would ask the co-operation of all of the members that we proceed and see if we can get these Estimates completed. I would think there have been good points made on both sides of the House and I think that I have given a great deal of latitude and I don't intend to withdraw that latitude that has been extended to the members, but I would ask if we could proceed and be guided by the comments made by the Honourable Minister and the comments made by the Opposition, we can proceed and see if we can get this completed.

The Honourable Member for Churchill.

MR. COWAN: Mr. Chairperson, I for one appreciate your latitude which I think is due that it is extended graciously, but I think in fact that we were well within our own legitimate role as Opposition in discussing this matter, but during the debate on the point of order, there were certain remarks which flowed from across the Chamber here in respect to what I consider to be a negation of the Minister's earlier remarks. So I would ask the Minister point blank, did he not indicate or imply that in fact if we did not enter into the agreement with Hudson Bay Mining and Smelting in the way in which we entered into it that we would be held over a barrel in respect to having the ore which came from the new mine being smelted by the Hudson Bay Mining and Smelting operation in Flin Flon. Will he deny that he said that now, because if he denies that he said that, I think that casts a different light on the whole conversation, but I know full well that I heard him say it, and I know full well that others heard him say, but I don't think that he should have the words that he spoke being negated by the Minister of Finance. So I would ask the Minister responsible for Mines if he is going to stand by his original statement of earlier this evening?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, the member can read the record and see it.

MR. COWAN: Well in that case, I would ask the Minister if he is aware of the history of Hudson Bay Mining and Smelting in reference to their custom smelting operations? Has he studied that history?

MR. CHAIRMAN: (1) — pass; (2) — pass — the Honourable Member for Churchill.

MR. COWAN: . . . Mr. Chairperson, the Minister doesn't want to answer that, so perhaps I can educate him in some respect to their history. They have for a fact been doing custom smelting for other mining operations in the Province of Manitoba since, to my knowledge, the 1940s when they custom smelted ores which were coming from Sherridon for Sherritt-Gordon Mines Limited at that time and that they are currently custom smelting ores which are

coming from other operations throughout the province as well at this particular time, and I think including Sherritt-Gordon Mines at this time, although I could be mistaken on that. But they have a proud history of co-operating with other mining companies in the province in doing custom smelting and they do so not so much out of a selflessness, but because they understand the mechanism, they understand the system, and they understand how that benefits them.

If one goes back into the history, one will find that there was a very antagonistic relationship between Sherritt-Gordon Mines Limited and Hudson Bay Mining Smelting, at the same time that they were co-operating in having custom smelting done by one operation for the other operation. So in fact notwithstanding other antagonisms, notwithstanding other differences which those two companies may have had in the past, they were co-operating on a financial venture which benefited both of them, and that they would do at that time and that they will continue to do.

The question to the Minister has to be, did he or did his department contact Hudson Bay Mining Smelting to determine in fact if they would provide that custom smelting service for ore coming from that mine, and if they did so, can he relate to us what the conversations were in respect to that request on the part of the Minister?

MR. CHAIRMAN: (1) — pass; (2) — pass — the Honourable Member for Churchill.

MR. COWAN: Mr. Chairperson, I think that the Minister's silence betrays the ill-advisedness of his earlier remarks and I think in fact if he were to review those remarks that he will have to acknowledge that that in such was not the case, or that in fact was not the case. He will have to acknowledge that if they made a legitimate approach to Hudson Bay Mining and Smelting and asked them to enter into a financial agreement which benefitted both of them in order to smelt ore which was being brought out of a mine owned by the province or any other corporation and they were willing to pay the going rate; not anything higher than the going rate, not anything less than the going rate but the going rate for the smelting of those ores, that Hudson Bay Mining and Smelting would have done it. It would have been to their benefit, if they had an excess capacity.

Well, if they did not have an excess capacity then, in fact, they can't smelt the ore that is coming out anyway. So, it's a mute point at that particular time but I think they do have an excess capacity, otherwise they would not have entered into the venture in the way that they did and I think that they would have co-operated with the Minister had the Minister wanted them to co-operate with him. It goes beyond co-operating with the Minister, Mr. Chairperson, it is co-operating with the people of this province because that's a responsibility that the Minister has in respect to this particular ore body. And if he's going to sell out that ore body because he is fearful of a reaction which I know would not have existed in the first place, then he has sold out the people of this province; he has sold them short in respect to what is due to them. I think that that is a matter that has to be placed squarely on the record.

There may be others that want to talk about this particular point, but I would like to move to a different item if I can and those who wish to follow me perhaps can pursue it further if they will. But I'd like to ask the Minister if he can indicate what action his department is taking in respect to transferring the responsibility for workplace safety and health in the mines from the Department of Mines to the Department of Labour under the Workplace Safety and Health Branch, if any?

MR. CRAIK: Mr. Chairman, on the last question that the member asks, that question is still under discussion. We don't have the final report yet from the committee that has been working on that question. We've participated in all the discussions that have gone on and the exchanges that have gone on and we've been fully active in all of it. We've staffed the Department of Energy and Mines, the Mines Branch, the Mineral Resources Branch, to a point that we're fully satisfied that a full effort is being made to meet the overall requirements of the Wright Report, but in terms of some of the refinements that were to be brought about by the Final Study Committee, we still don't have that report and that is still under examination, and I think perhaps the member and some other members realize the amount of study that is required in some of the details emerging out of the Wright Report.

MR. COWAN: Well as the Wright Report has been tabled a very long time ago and there has been considerable time between the tabling and now for a full consideration of the recommendations to have been undertaken, can the Minister indicate to us when it is he expects this government will begin to implement some of those very urgent recommendations, which arose out of the initial report?

MR. CRAIK: If the member wants to list a number of questions I'll attempt to bank them here and provide as much information as I can on it.

MR. COWAN: I guess, Mr. Chairperson, that when the Minister makes an offer to bank we have to accept it, although we do not have to agree that it is the most efficient way to proceed; but I would ask the Minister therefore, given those terms, if he can indicate when it is that the final report is expected to be finalized. Now that final report is not the final report of the Wright Committee, but the final report which I'm referring to in specific now is the final report of the Implementation Committee.

MR. CRAIK: Mr. Chairman, my understanding now is that we do expect the report within a matter of days or weeks. We may in fact have the report within a matter of days.

MR. COWAN: Well the Minister is substantiating information which had been provided to me and that is that the final report, in fact, has been completed, has been signed, and should have been forwarded to the Minister, as one of the departmental staff were very involved, or at least many of the departmental staff were very involved in the considerations of the Implementation Committee. Can he confirm then, specifically that the final report has been developed

and that the final report has been signed by all the parties, and that in fact the final report is ready for implementation?

MR. CRAIK: I can only repeat, Mr. Chairman, that I haven't received the report, nor seen it, or seen a draft of it and I understand that it will be available within a matter of days.

MR. COWAN: Well as the Minister has not made himself aware of a report that should be available to him, I would ask him then if he could give us some indication of his own approach to the transfer of the responsibility for workplace, safety and health in the mines from the Department of Mines to the Department of Labour, because let's take a wild guess at what that committee decided. Let us guess that that committee was split on the issue, that the employer's representatives did not want to see that particular department transferred; that the employees representatives on the mine, in fact, did want to see that department transferred and that they could not reach an agreement.

So now it becomes a political decision by the Minister as to whether or not he is going to follow up on the initial recommendation of the Wright Committee, which was unanimous in that respect, and that was that the department should be, in fact, transferred from Mines to Workplace, Safety and Health. Let us review the situation. The Wright Committee said a year ago, unanimously in a majority report, that in fact that department should be transferred.

Members of the Wright Committee were brought before the Implementation Committee for a hearing, at which they confirmed their recommendations in the original report, and that was the employer's representatives, the employee's representatives, and the neutral Chairperson on that committee all said yes, we stand fully behind the original recommendations which we made in the Wright Committee over a year ago. Now let us assume that the Implementation Committee could not reach that sort of unanimous agreement; the employers said that we are opposed to the transfer; the employees on the Implementation Committee said that we strongly support the transfer; it is now in the Minister's ballpark. The question to him is what is he going to do, in respect to the original recommendation for the transfer of the responsibility for safety and health from the Department of Mines to the Department of Labour, Workplace Safety and Health Branch.

MR. CHAIRMAN: (1) — pass; (2) — pass — the Honourable Member for Churchill.

MR. COWAN: Well, Mr. Chairman, we have waited too long to just sit idly by and allow the Minister the luxury of remaining silent on this. They, in every case, have tried to avoid this very crucial issue, because it is an issue of which there are two sides. There is one side that says very strongly that the department should remain under the Mines, or the responsibility for workplace, safety and health in the mines should remain under the Department of Mines; there's another side that says very strongly that it should be transferred. And in fact those two groups do not appear to have been able to reach any sort of a mutual conclusion in respect to that problem.

They came in with certain postures, they left with certain postures. They both justify their position. The employers justify their position by saying it is their belief that the mines are a specific type of workplace and therefore the mines should, in fact, stay under a department that has overall jurisdiction over mines.

The employees say that the object of The Workplace Safety and Health Act was to consolidate workplace, safety and health matters among all the different industry sectors in the province and put it under one department, and that they would like very much to be under the Workplace Safety and Health Division so that they are not faced with what they consider to be an unacceptable situation, where they are tossed and torn between two different departments when it comes to resolving workplace, safety and health matters. It's been an ongoing topic of discontent for some time now. The Wright Committee made a very strong recommendation; that recommendation was that it should be transferred. The Implementation Committee could not come to a recommendation. I will say that, we know that the Implementation Committee could not come to a recommendation in respect to whether or not that department should be moved.

The employers said one thing, the employees said another thing and that's where the matter was laid to rest because they could not reach a consensus. It is now the Minister's decision. Can the Minister, or will the Minister, indicate what action he proposes to take in respect to the original recommendation, as it has been impossible for the Implementation Committee to make any specific recommendation to him; is he prepared to do that?

MR. CRAIK: I'll just tell the member that there are not two sides to this, there's only one side and the one side is mine safety.

Now the report is not in and when the report does come in it will be dealt with.

MR. COWAN: Well, perhaps the Minister wishes to play with words, as he has wished to play with the recommendations of the Wright Committee for over a year now, and I agree with him that mine safety is the issue at hand, but there are perceptions, and different perceptions from different groups, as to how that mine safety can best be accomplished; and the fact is if the Minister reads his own Annual Reports he will find in fact that there is not a bettering of the conditions in respect to mine safety in this province, at least statistically, according to accident reports over the past year, he will find that, in spite of the Wright Committee, that there has not been any significant difference in mine accidents, frequency rate and severity rates. I don't have the figures before me, but I think that he would find that that is the case. I would ask him, with that being the case, is he now prepared to take action on recommendations which were made to his department, over a year ago, in respect to the Wright Committee recommendations and, in specific, if he is going to make a decision as to whether or not to move the responsibility for mine safety from the Department of Mines to the Workplace Safety and Health Branch?

MR. DEPUTY CHAIRMAN, Henry Einerson (Rock Lake): 3.(a)(1) — pass — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm just intrigued by this one-way conversation, if I may call it that. I know nothing about this report that is being discussed, but if it's the kind of report that deals with transference of responsibility from one department to another, I, for one, would like to know if any member of the staff of the Department of Mines was on the committee to make that report, and if not, then what relationship does that committee have to the Minister.

MR. CRAIK: Well, Mr. Chairman, there was no departmental person on the committee.

MR. CHERNIACK: Mr. Chairman, I asked if not, what relationship did the committee have with the department? Surely there must be some connection between the two.

MR. CRAIK: Well consultation, undoubtedly, Mr. Chairman.

MR. CHERNAICK: Mr. Chairman, on that basis, the Member for Churchill implied that he had the impression that the report has been signed by all persons, and I would think that since the Minister has someone in his department that has some kind of relationship with the committee, that he could readily ascertain whether or not the report has indeed been signed. Whether or not he saw it, could he inform us as to whether or not the report is signed by all parties?

MR. CRAIK: Mr. Chairman, I have not received the report. I don't know whether it's been signed by all parties, I haven't seen a draft of it and for the third time, if the member wants me to reply to an early question I can, but it seems pointless.

MR. CHERNIACK: Thank you, Mr. Chairman. I accept the Minister's statement that he's not seen the report, but I'm also suggesting that since it must be self-apparent that there are people within his department who have some connection with the report who would therefore know whether or not it has been signed, then I would suggest, Mr. Chairman, to you, that the Minister could readily ascertain whether or not it has been signed and if it has been signed, I think it's his responsibility to say, let's have it so we can read it. I don't know how long he can say he hasn't received it, if it has been signed, and he is the one who can find out whether or not it's been signed. So I really don't understand any problem about sitting back and waiting when it would take probably very little time to find out that it has been signed, and if it has been signed, why doesn't he have it? What's the reason for delay? That just makes sense to me.

MR. CRAIK: Mr. Chairman, this is a pretty unrealistic line of questioning, for the member to be asking whether I know whether it's been signed by the Members of the Committee, if I haven't seen the report, haven't seen a draft of it; don't know what's in the report; don't know what they're recommending. The Member says, do you know if it's been signed? You know, this is a pretty unreal type of a request. I really think it's gone beyond the normal bonds of questioning in a Legislative Committee.

MR. DEPUTY CHAIRMAN: Order, please. I think to all Members, I came in late but I believe I did hear the Member for Churchill in his comments he made this evening that he was assuming that he thought that the report that you've been discussing was signed. And, I don't think that it's worthy of continuing a line of questioning and trying to get answers from the Minister if a member assumes that a document was signed. I have been listening also to both sides, to the Minister in giving his reply, and I feel that the Minister has given an adequate reply but I hope we'd be able to leave that until the report has been received which the Minister indicated would be prepared to give; so, if we could carry on.

The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I accepted the Minister's statement that he never saw the report. I did not suggest that he knew it was signed because he said he had never seen it. What I said, I think very clearly, Mr. Chairman, I think you must of heard it because, I think, you were in the Chair when I said it, that since his department has something to do with that report that surely there's someone within his department who would know whether or not it has been signed and he could ascertain that simply by asking down the chain of command as to whether it has been signed and then if it has been signed, you can say, let's have it. I did not for a moment suggest that he has seen it. I accept his statement that he hasn't but, Mr. Chairman, he is the Minister of a department whose Estimates we're reviewing. He has enough authority surely as Minister of his department to ascertain whether his department or any member of it in his official capacity as the member of the department, knows whether or not the report has been signed. That's a simple thing to ascertain and I suggest that it's his responsibility so to do. I've never for a moment suggested that he saw the report. I am saying that he could readily find out whether or not it's been signed and if it has he could find out why he didn't. That's what I said, Mr. Chairman.

MR. DEPUTY CHAIRMAN: 3.(a)(1) — pass; 3.(a)(2) — pass — the Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I was wondering if the Minister was prepared to answer my question that I posed earlier with respect to the information which I put on the record regarding the Granges property better known as the Trout Lake Mine. I believe that there's good reason to believe the information I provided is correct in terms of the projections given. The Minister has confirmed that there is indeed three million tons of proven reserves in place and that based on the 1980 Montreal curb price of copper is valued at some \$180 million in place given the potential in the area which has been estimated to be a value of copper of \$900 million and the recovery cost associated with that of \$450 million, that leaves a potential profit of \$450 million from that mine site.

Now these are calculations that were prepared for us by a qualified consulting engineer and my question to the Minister is, if he is not sure that these figures are accurate would he provide us with accurate independent consultant engineer's estimate of the reserves in place? —(Interjection)— Pardon me? Well, I'd like to know the facts. I'm putting it to

the Minister that these are the facts that we have; these are the projections that we have and if the Minister of Finance or the Minister of Mines has better information, well, let us have it, put it on the record. I gave the Minister notice of these questions on Tuesday night. I read these figures into the record and I told the Minister in advance that I would be asking these questions. I gave him the opportunity to check to see if he had information on these figures and the only information that he provided back to me was to confirm part of it but not the rest of it.

So, Mr. Chairman, I'm saying that I have I believe a reasonable request and I have a most urgent request on behalf of the taxpayers of Manitoba who are potentially losing some \$90 million of income here as a result of the Minister's decision and the Minister seems to want to pass off that responsibility and say, oh, no, it's not me, it's the Manitoba Mineral Resource Limited.

Well, Mr. Chairman, the government, Progressive Conservative Government, must accept the final responsibility for the Crown corporation's decision as well but I would point out, Mr. Chairman, that it is this Minister and this Government that are directly responsible for this particular decision because not only did they make the decision but they touted the decision. They announced the decision in this House that there was a mine going ahead in Trout Lake and that this was a mine which the government was going to participate in to the extent of 27 percent. It was announced in this House as well — (Interjection)— and, Mr. Chairman, it was announced in this House and it announced as a great revelation by this government that this was going ahead. This is a mine, Mr. Chairman, it was discovered in 1974 and I have documentation here from the — (Interjection)— Pardon me? Well, Mr. Chairman, the information that resulted in the discovery of this mine, I might point out, came from the Mimes' Assessment Files, the Department of Mines Assessment Files.

As a result of the research from the Department of Mines there were surveys made in that area and there was a participation later on by the Government of Manitoba to the extent that the government had the opportunity to be participants in this mine to the extent of 47 percent. It was this government that decided foolishly, I think, to reduce that participation to 27 percent. The 47 percent participation, if the projections are correct that I gave to the House, would have meant that the Government of Manitoba would have had a clear profit from this operation of \$211 million-plus and, Mr. Chairman, based on their reduction in participation in this profitable mine, their income to the people of Manitoba would be reduced to \$121 million which would be a reduction of \$90 million to the people of Manitoba over the life of this mine and that's based on copper at \$1.00 a pound, Mr. Chairman, and prices go up as everything else goes up and, Mr. Chairman, we would expect that these would be rather conservative figures.

Mr. Chairman, even on the known reserves which the government knew were in place and which the Minister admitted to tonight of 180 million pounds, the profit on that would have been \$42,300,000, just on those known reserves. Well, Mr. Chairman, I note that you are a farmer. If you have land that's worth \$42 million would you give away 20 percent of it to

someone else? Is that conservative economics? Well it certainly seems to be the economics of this Minister.

Not only that, Mr. Chairman, but this is a non-renewable resource and the Minister reduced the participation of the people of Manitoba from 47 percent to 27 percent which I say is inexcusable. I talked to farmers in this House, members of this Legislature, who tell me that if they have a piece of land and they're renting it out to somebody on the basis of the tenant taking a crop off the land that they would expect a third of the crop in return for the use of the land. Well, Mr. Chairman, here is a case where the government had the opportunity to not get a third but the opportunity to take 47 percent and they voluntarily reduced it to 27 percent when they knew full well that deposit as it stood with known reserves was worth \$42 million clear profit, that's after taking off the cost of production.

Mr. Chairman, for the Minister to suggest as he did earlier tonight, that somehow they were arm-twisted into this deal because the Hudson Bay Mining and Smelting Company would have never put the ore through their milling process is absolutely ridiculous and I would like him to confirm that statement and tell us where and when the HBM and S Company —(Interjection)— He said that tonight; he did say it. Let him say he did not say it.

MR. CHAIRMAN, Abe Kovnats: The Honourable Minister of Finance.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Chairman, the members opposite have been persisting for the last hour in distorting what the Minister of Energy and Mines said previously about the deal that was made with Hudson Bay Mining and Smelting and that sort of distortion can not be allowed to be left on the record. He asked the honourable members opposite what they would do. He did not say the sort of distortions that two or three of those members opposite have been putting forward. The trouble with the members opposite, Mr. Chairman, is that they don't believe in the market system. That's what it boils down to, is that they don't believe that two people, two companies or three companies can enter into a market deal that is mutually advantageous to both parties or to three parties. In their envious socialistic fashion they always assume that the other person, the other company, is getting the better of the deal.

MR. CHAIRMAN: The honourable member on a point of order.

MR. BOSTROM: Well, Mr. Chairman, I didn't yield the floor and I would expect that you would rule on this point of order so that he would not have the opportunity to interrupt my speaking.

MR. CHAIRMAN: On the point of order, the Honourable Member for Rupertsland does not have a point of order. I acknowledged the person who stood up, you had acknowledged that you had finished speaking by sitting down. I acknowledged the Honourable Minister, not on a point of order, but as the next speaker.

The Honourable Minister.

MR. RANSOM: Mr. Chairman, the members opposite should be aware of some of the history

that's involved in this mine. They should be aware of the fact as stated by one of the people principally involved in the exploration of this site, Mr. Mosalowski, that they had picked out the property for exploration; that they had in fact come to Manitoba to begin exploration on this because at that time they'd been essentially pushed out of B.C. because of the sorts of policies that were then being implemented by the Barrett Government. They turned their attention towards Manitoba only to find at that point that the Manitoba Government was then implementing the same type of forced participation, and subsequently the exploration proceeded and in fact, ore of a satisfactory quality and quantity was discovered and Granges and the Province of Manitoba spent a great deal of time in negotiating between themselves and with third parties as to what was the best way to develop that mine. They spent some two years, at least two years in doing that and they finally arrived at an agreement that the people, participating from the Manitoba point of view and the technical experts that they have, regarded as one of the best mining deals that's ever been made in the country, from the perspective of Manitoba, in getting Hudson Bay Mining and Smelting involved to the extent that they are.

Now the honourable members opposite are so naive when it comes to business matters. Here is a situation, Mr. Chairman, where the mine is going to be located under a lake. Now that is a situation, Mr. Chairman, for which there is certainly no experience in Manitoba; it's a situation that is at best extremely uncommon. The risks involved are unknown. It is absolutely patently ridiculous for the Member for Rupertsland to come up with a couple of figures, and project those figures into the future to say that they're going to be so many hundreds of millions of dollars of profit, when there hasn't been a pound of ore taken out of the ground for commercial purposes. They don't know what kinds of problems they're going to discover in developing the mine there.

Furthermore, Hudson Bay Mining and Smelting doesn't have the sole right to smelt the ore. Manitoba and the other company will be taking their ore in kind, they will have their concentrate, they can shop wherever they want to get it smelted, and if they can't make a good deal with Hudson Bay Mining and Smelting to get it smelted, then they'll do it somewhere else, they can make the deal where they can. But what those members don't want to accept, Mr. Chairman, is that when you get two parties, one with some ore that they want to smelt and another with a smelter for which they need ore, that they can get together and make a deal that's mutually advantageous, because the one hasn't got enough ore to go through its smelter and the other has got ore and they don't have a smelter. That's the sort of absolutely ridiculous understanding of business deals that those members opposite show, and that's why they're sitting opposite now, because they entered into so many hairbrain deals on the same sort of analysis, if we can call it that, that the Member for Rupertsland has put forward now.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTROM: Well, Mr. Chairman, the Minister, if anything, is exhibiting, demonstrating his lack of any

good business sense and to him to suggest that this was a hairbrain deal, I mean the very fact that there is a 27 percent interest in this mine now, is because the New Democratic Party, while they were in government, entered into a joint venture agreement with Granges in the first place, in order to explore this ore body. Mr. Chairman, this one ore body proves, just this one alone, proves the viability and the effectiveness of the New Democratic policy, while we were in government, of government participation in exploration ventures in the Province of Manitoba. Because this one mine, Mr. Chairman, just the known reserves alone are worth \$180 million, the profitability from those known reserves is \$42 million plus, and that's many millions of dollars more than all of the monies that were ever spent on exploration work in the Province of Manitoba.

It gives a line, Mr. Chairman, to the Conservative policies in this province, where they say government should not be in the exploration business, the government shouldn't be involved in joint venture agreements with companies in exploration agreements in this province. For the Minister to suggest that Granges may not have come to this province if they would have known that the Provincial Government was interested in going in on joint venture agreements, Mr. Chairman, all they have to do is look across the boundary here to Saskatchewan and they see that the Saskatchewan Government has exactly the same kind of policy as we had in Manitoba, and they established it on March 1st, 1975, which states that the companies acquiring lands after that date must offer the Crown up to 50 percent joint venture participation in any exploration project when expenditures in any single year are expected to reach \$10,000 plus.

Well, Mr. Chairman, the Saskatchewan Government are not going begging for companies to come into their province. In one year alone, during 1979, the corporation which represents the Saskatchewan government, received a total of 107 new proposals, which were reviewed and acted upon. One hundred and seven. How many did the Province of Manitoba act on? How many did they act on? And they're saying that this kind of a policy will scare mining companies out. Well who is being ridiculous here? Who is being ridiculous?

This government is being ridiculous and it's being false and it's misleading the people of Manitoba in putting forward their position that the only way to get people into the Province of Manitoba to explore for minerals, is to get down on bended knee and give our resources away.

Well, Mr. Chairman, people that are farmers don't give their land away. If someone comes and utilizes their land to get a crop off it, they want to get a return for that land. They ask for one-third of the crop. (Interjection)— Well, Mr. Chairman, you're damn right they're private enterprise, there's nothing wrong with that, nothing wrong with that. The people of Manitoba own the resources, own the minerals in Manitoba and they should be entitled to a fair share of the income from those resources. That's not an ideological question, that's a good business sense, that's good business sense. (Interjection)— No, we don't have to charge them a royalty; we can enter into agreements with them; we can explore on our own 100 percent where we want to; we can enter

into agreements with companies; we can participate on a partnership basis, but when that ore comes out of the ground, the people of Manitoba get their fair share of the income from that ore.

Mr. Chairman, this is a classic example here, where that kind of a policy can pay off and pay off very well for the people of Manitoba, and this government in its desire to hide that policy and to try to prove to the people of Manitoba that that policy doesn't work were stumbling over themselves wondering how they could get their participation of this agreement lower, and they managed to get it down to 27 percent from 47 percent. In the process of doing that, I submit there's a good case to be made that there's over \$90 million of Manitoba revenue here that's lost to the people of Manitoba forever. If the Minister thinks that's nonsense, if the Minister doesn't believe that, I would ask him, and I challenge him to put on record, let's have an engineering analysis of this mine, and tell the people of Manitoba and tell his Legislature how much ore there is and how much projected ore there will be from that mine, so we'll know the full facts of this case, we'll know the full facts.

Mr. Chairman, he can include in that part of the analysis as well the cost of getting it out, yes the cost, because if the ore is there it will cover the cost of removing it. And don't tell me that you didn't know it was viable either, because, Mr. Chairman,

MR. CHAIRMAN: The Honourable Minister of Finance on a point of order.

MR. RANSOM: The Honourable for Rupertsland is raising questions about the engineering analysis of the project. I suggest he follow the advice of the Minister of Energy and Mines and go to the committee when they're dealing with Manitoba Mineral Resources and he will be —(Interjection)— The Member for St. Johns is speaking from his seat again, Mr. Chairman. I think a point of order has to do with how information may be gained through examination by a committee. He's asking questions, for which the answers should be available from Manitoba Mineral Resources when they're in committee, because they have that kind of information.

MR. CHAIRMAN: The Honourable Member for St. Vital on a point of order.

MR. WALDING: On a point of order, Mr. Chairman, I note in the introduction to Manitoba Mineral Resources in the last phrase of the last sentence, it says, "... the collection, compilation and dissemination of information on mineral resources." My colleague from Rupertsland has put forward facts as he knows them, the Minister has not accepted them; therefore I would suggest that the Minister be prepared to give some of the facts that this part of his department has collected and compiled and presumably is prepared to disseminate.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Well, Mr. Chairman, on the point of order, the questions the member is asking are not unreasonable and certainly they will be taken into

account, but the appropriate place to answer them is in the committee with the availability of the people that have been directly involved.

As far as his assertions are concerned, of course, that's another matter, but he's putting his assertions on the record and that's fine, but in terms of asking questions which are not invalid, that's fine, they're in the record and some preparation will be available, and time will be available to deal with them at the committee.

MR. CHAIRMAN: The Honourable Member for Rupertsland on a point of order.

MR. BOSTROM: No, not on a point of order.

MR. CHAIRMAN: The Honourable Member for Rupertsland.

MR. BOSTOM: Thank you, Mr. Chairman. I was just concluding my remarks really and what I wanted to conclude in saying, Mr. Chairman, is that the policy, which the Provincial Government is following, is one which will not bring a very good return to the people of Manitoba from the mineral resources of our province and this is an example of their pigheadedness when it comes to the participation by the government in a mineral exploration and development project. I think that this government will be judged on its record. There are things which I brought up tonight which I think that we should have more information on and more full debate on, so that we'll know the true facts of the case.

I would like to have further information from the Minister on this and I welcome receiving that information from whatever source that is available. If it's possible to receive this information from the committee, then we will get it through that means, Mr. Chairman. But, however if we do not receive it in that way, I would ask the Minister and challenge the Minister to go over the assertions, which I have made, and to have them studied by competent geologists and come back with an accurate reflecton of what is actually the case in that particular mine. But, Mr. Chairman, in any case, I think that this mines shows the viability of the policy which the New Democratic Party introduced into this province and one which I think should be re-introduced into this province, because it's working very well in the Province of Saskatchewan. There's no shortage of exploration there, there's no shortage of development, there's no shortage of drilling activity. In 1979, 60 percent of the hardrock drilling in all of Canada took place in Saskatchewan.

There's more oil exploration going on in Saskatchewan than there is here. They drilled 1,500 wells last year. What did we drill in Manitoba? Twenty-seven, and some of those were drilled by Sask Oil. (Interjection)— Well, Mr. Chairman, maybe some of the wells that were drilled by the Manitoba Government Program turned up dry. The Minister laughs. I don't see why it should be funny; I don't see why the Conservative Members should take pleasure in the fact that taxpayers' money was spent and there were no results from it. (Interjection)— You seem to take great pleasure in it, Mr. Chairman, and you seem to be squirming. I'm sorry, not you, Mr. Chairman, but the honourable members opposite seem to be taking great pleasure

in this, and they seem to be squirming in their seats, however, when it's pointed out to them that part of the expenditures for mineral exploration in this province resulted in a successful mine being discovered and is now in the development stages, one which will pay back in spades all the money that was ever spent on exploration and in fact would provide the Provincial Government with profits, which could be used to reinvest in further exploration and further development of mines in Manitoba, which would be for the benefit of all the people of Manitoba, including the members opposite. That's not something which the honourable members should be embarrassed about. It makes good business sense to do that. It's the way to go and, Mr. Chairman, it's becoming such an acknowledged fact that even these pigheaded P.C.s in Manitoba are going to have to follow this kind of a . . .

MR. CHAIRMAN: Order please. The Honourable Minister of Finance on a point of order.

MR. RANSOM: I don't think that sort of allegation is parliamentary.

MR. CHAIRMAN: On the point of order, I would recommend to the honourable members to please choose your words a little bit more wisely in the manner in which you make reference to one another. I don't think there is any advantage to be taken by being abusive on either side of the House, and I would ask the honourable members to please choose their adjectives and their description of one another a little bit more wisely.

The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I take your advice and I simply say that I'm not referring to the honourable members' appearance in any way, only referring to the policies and their stubbornness in recognizing the truth and recognizing the right way to go about exploration to the benefit of all the people of Manitoba.

I've said it before and I'll continue to say it, Mr. Chairman, that the Province of Saskatchewan is now showing this government and it's showing every other government in Canada the way to go as far as the development of resources of your province. Rather than going down on bended knee and asking companies to come into your province and giving away your resources, giving away all of your profits, it is time, Mr. Chairman — and Saskatchewan is proving that it can be done — to have the government participate in that process. They can participate in various ways; they can participate 100 percent; they can participate in joint ventures, but whichever way they participate as long as they are in the process of participating in the exploration and development of mines, there'll be a greater return for the people of Manitoba.

I think it can be argued and argued successfully that a high rate of royalty on production can be prohibited for the development of mines. I think that's a logical point. But, Mr. Chairman, participation by the government is not something which should scare companies away. In fact it's something which can be argued, and it's proven that it brings companies into your province. There are more companies going into Saskatchewan to explore

than are coming into Manitoba. And why is that, Mr. Chairman? Because they can obtain venture capital in Saskatchewan, something which many small exploration companies are having difficulty doing? They can go into that province and they can participate with the government? They're not afraid that later on they're going to run into some kind of problems with the government, they have the government as their partner. In the process, Mr. Chairman, they make a buck on their investment and the government makes a good return for the people that they're representing and I say, that's the way to go and that's the way it should be going in this province. But as long as you have the kind of stubborn, ideological attitude which the P.C. Government in Manitoba has, we will never go in that direction, and the people of Manitoba will be stuck with only receiving the wages and the salaries for pulling the materials out of the ground.

They'll never get a proper return on their resources and I can't see why the P.C. government can't see that, because there are plenty of farmers in that party, there are farmer members over there that know you don't do that sort of thing when you have land to rent out for a crop. Mr. Chairman, you wouldn't do that if you owned land and you rented it out for a crop, you'd want a good share of the return from the land. —(Interjection)— That's not true. It certainly is not true and the member knows that's not true, Mr. Chairman, so there's no point in going into that argument with him.

The policies which the Progressive Conservative Party are following in this province are to give away, and in the case of this Trout Lake Mine, it's scandalous what they're doing. Mr. Chairman, if these figures are accurate, and I have reason to believe they're reasonably accurate, certainly the known reserves are accurate, the Minister confirmed those amounts. We know that those are there, we know what they're worth, and we know that the government had a good chance to make a good return on this investment, they gave almost half of it away. If it had not been for the New Democratic Party government having had a 47 percent interest in that mine in the first place, this government, this P.C. Government would not have even had the 27 percent interest. They would not have even had the 27 percent interest and all that would have been coming to the people of Manitoba is a paltry 18 percent royalty on the reserves as they were mined.

At least now, Mr. Chairman, this government has been forced into keeping 27 percent of that and the people of Manitoba will at least get that much out of it.

MR. CHAIRMAN: Before I acknowledge, I just want to know what item we are on. Are we on (c) Mines, (1)? We're on 3.(a)(1).

The Honourable Member for Churchill.

MR. COWAN: Yes, Mr. Chairperson, I assure you I don't wish to prolong the debate, not because I don't believe that the subject which I'm going to address very briefly is worth it, however as you can tell, my voice is going from a bad cold, but I would like to ask the Minister if he can indicate if he has available to him accident statistics for the mining industry in Manitoba which would go past the statistics which are provided in the 1979 Accidents at Mine

document which is provided from his department. Those are accident statistics for the year 1979, so I would ask him if he has any statistics which go beyond that date and if so, if he'd be prepared to provide them to us, not in verbal form but in written form, so that we can go over them at a later date.

MR. CRAIK: We'll certainly have a look at that, Mr. Chairman.

MR. COWAN: I think as well the record should be clear that I had opportunity to check during the course of the discussions this evening as to whether or not that report had been signed which we had discussed earlier, and that report of course which I'm referring to, is the report of the Implementation Committee on the recommendations of the Wright Committee reporting to the safety and health conditions in Manitoba's metallic mining industry.

The report, according to my information, was signed over a week ago. It was anticipated that it would have been in government's hands by this time. In fact we are looking forward to being able to review the recommendations of that Implementation Committee and even more than that, we are looking forward to the government implementing those recommendations as they have promised to do on numerous occasions in the past.

But again, I don't wish to prolong the debate, I do want the record to be clear though, that it is my information that the report has been signed. I hope the Minister can get us a copy of it as soon as possible, but beyond that I hope he will begin to implement the recommendations, or the Minister responsible for the Workplace Safety and Health Division will begin to implement the recommendations very quickly because that was the purpose of the Implementation Committee.

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

MR. CHERNIACK: Mr. Chairman, just on that point, I wonder if I could ask — well, I know I can ask him — whether he would be prepared to make that report available to us as soon as he receives it.

MR. CRAIK: Mr. Chairman, I haven't received the report yet. I'll undertake to keep in mind the member's question.

MR. CHAIRMAN: (1) — pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, it's just the thought that there are occasions where some reports can be received and can be sat on for some length of time. Since this is an objective report which is apparently not a report of the government, or of a department of government, I would like to think that the Minister will make it available to the public, as soon as he receives it, so that the public and of course, more importantly, the members of this Committee and the Legislature, will have an opportunity to review it whilst it's being reviewed by the Minister.

I would understand if it were a Ministerial report for which the Minister — I mean a departmental report — for which the Minister would have to

assume responsibility, there might be a different consideration given to it but since it is not a report of the department, then I would like to think that the Minister will make it available as soon as he receives it.

MR. CRAIK: The member's comments are valid, Mr. Chairman.

MR. CHAIRMAN: (1) — pass; (2) — pass; (a) — pass. (b)(1) — pass; (2) — pass; (b) — pass. (c)(1) — pass; (2) — pass; (c) — pass. (d)(1) — pass; (2) — pass; (d) — pass. (e)(1) — pass; (2) — pass; (3) — pass; (e) — pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, perhaps the Minister at least could outline what the specifics are with respect to 3.(e), (1)(2) and (3) there.

MR. CRAIK: By way of summary it is the geological survey work that is done under the Northlands Agreement. There are 12.06 SMYs involved here, heavy summer component; and Salaries amount to \$268,200; Other Expenditures are \$307,500 with total funds of \$575,700.00. It's almost the same as last year's. The SMYs are identical. There is some escalation in both the Salaries and the Other Expenditures.

MR. CHAIRMAN: (3) — pass; (e) — pass. Clause 3. pass; Resolution 59 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding

\$3,647,200 for Energy and Mines; Mineral Resources \$3,647,200 — pass.

Clause 4. Acquisition/Construction of Physical Assets, Resolution No. 60 — pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm just wondering if the Minister has already given details of the expected expenditures under this item?

MR. CRAIK: I missed the last part of the question, Mr. Chairman.

MR. CHERNIACK: I asked whether the Minister has already given details of the \$1,953,000 he expects to spend and if he has not given that already and if it's not on the record, could he do it now?

MR. CRAIK: Mr. Chairman, under Manitoba Mineral Resources Limited, there is \$80,000; and the joint venture part \$794,000; investigation of new projects \$20,000; mineral exploration agreements \$400,000; and that is apart from \$9,000, minor amounts, that is the total.

MR. CHERNIACK: Mr. Chairman, could the Minister also inform us as to how much was spent out of this current year's allocation of \$3,237,000.00?

MR. CRAIK: Mr. Chairman, the year end is not complete yet. We don't have figures that would give a comparison to the year end estimate.

MR. CHERNIACK: Mr. Chairman, I fully appreciate that we still have about three working days to go

before the end of the year, but the Minister surely has a pretty good idea of what has been spent or committed out of last year, within \$100,000, \$500,000, there must be some knowledge that the Minister now has as to what it looks like, what the projection is.

MR. CRAIK: Mr. Chairman, we don't have figures, as I've indicated. The figure will be less than the amount shown. There will be some lapsing but I can't tell the member how much.

MR. CHERNIACK: Does that mean that there's no indication whether it could be \$2 million or \$2.5 million spent, or \$1 million spent? There must be some idea, it would be helpful but if the Minister doesn't know, he doesn't know.

MR. CRAIK: Mr. Chairman, I don't have figures beyond that.

MR. BOSTROM: Well just as a parting shot, Mr. Chairman, this is the section where the Minister should be getting up in his place bragging about the fact that through the exploration funds that have been provided through this kind of item, the province is now at least 27 percent owner in a potentially productive mine that could return to the Province of Manitoba even with the reduction that this government has brought about an income of \$120 million to the Province of Manitoba over the life of that mine. It is something the Minister should be getting up in his place and bragging about rather than hanging his head in shame that somehow the Province of Manitoba through the public sector has been able to find and participate in the development of a mine. That may be an embarrassment to the Progressive Conservative government, Mr. Chairman. It's not an embarrassment to the New Democratic Party and when the New Democratic Party are re-elected in this province there will be many more things like this to brag about.

MR. CHAIRMAN: Clause 4. pass — the Honourable Minister.

MR. CRAIK: Therein lies the difference. The member across the way really reflects and it bubbles through all the time. I shouldn't say bubble, that's too kind a comment to make about him, but what really comes through every once in a while are the real basic philosophical stripe. He really feels that you really have to get in there as government and you have to do it all; there is nobody else in the picture. It shows up in all the arguments that have been presented here but let's just say that I think that the government now is going to produce far more results than he is with his own it all, take it all, state control policy.

MR. CHAIRMAN: Clause 4. pass — the Honourable Member for Rupertsland.

MR. BOSTROM: Mr. Chairman, I could grant to the Minister that the exploration in the Province of Manitoba may continue at a pace which is very similar to that which would continue, that would take place under a New Democratic Party government. The difference will be not in the number of mines

that are developed but in the return from those mines that is left here in the Province of Manitoba to the benefit of the people who live in this province.

With the Progressive Conservative government, it's very clear that all that will be left is the 18 percent royalty plus the wages and benefits that result from the development. With a New Democratic Party government in place, Mr. Chairman, we would be looking at many more ventures like this one whereby the Province of Manitoba could have a participatory return from the venture instead of getting an 18 percent return it could be a 50 percent return and it could be providing the kind of income to the Province of Manitoba from the developments in this province that are similar to that which is occurring in the Province of Saskatchewan, where the Province of Saskatchewan is now receiving a major portion of their overall budget, a major portion of the expenditures that they put out by way of government expenditures in any one year are coming from the resource sector. That kind of accomplishment will never happen with the attitude that is displayed by the Progressive Conservative government in this province. That kind of result can only come from a New Democratic Party administration.

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

MR. CHERNIACK: Mr. Chairman, this is no time to enter into a philosophical discussion of the differences between the Conservative and New Democrat approach to the role of government and the role of the people through government. However, Mr. Chairman, I am not going to just let the occasion go by to have the Minister make remarks which I reject out of hand. I would say that the process of democracy as I see it is that the people can assert their needs and their wishes through a democratically elected government and as of currently the people have given the responsibility to the Conservative Party to do what they have stated they would do. One of the things they stated they would do is they would keep Autopac. I assure you, Mr. Chairman, that if the Conservatives had their way, philosophically they would not have Autopac. You are looking to see just what is the relationship of what I am saying, Mr. Chairman.

MR. CHAIRMAN: Yes I am.

MR. CHERNIACK: I am directing it to the comments made by the Minister of Energy and Resources where he attempted to just say that the New Democratic Party sees no role for private enterprise. That's an untruth, Mr. Chairman, and I think it should be clearly known that it's not true. When the Minister of Agriculture from his seat yells out about the policy of the New Democratic Party, in his opinion, is only to seize land and keep land for the public, that's not true, and he should know it's not true, but that is the kind of talk they spread around. I wish there were an opportunity for us to tell each other truthfully what we believe without having untruths spread by either side.

It so happens that opportunity very seldom occurs and certainly not on a occasion like this at this hour. The Minister of Finance — you know, I sometimes regret that I can't hear what he says. It's not my

deafness, it's just his modesty that he wants to mumble to himself so we can't hear. (Interjection)— Yes, Mr. Chairman, that shows you exactly a Conservative thinking, that he knows the truth and he will set up a board which will determine who is telling the truth and who is not and it's only a Conservative that would be prepared to carry out what his own leader called — what did he call it? I forget the term. Did he say stupid? He said something of a similar nature that the proposal by the Attorney-General was, if he didn't say stupid he said something along that line, and for once I can support the First Minister.

I will carry it further, Mr. Chairman. I just want to tell members that when they tell an untruth they get away with it for a while. Eventually the truth catches up to them and the Minister of Agriculture is one of the best proponents of this theory of telling an untruth and trying to get away with it, and I must say my friend that sits right behind him always laughs when I bring back to him the statement that was made by him relating to taking churches away . . .

MR. CHAIRMAN: Order please. The Minister of Agriculture on a point of order.

HON. JAMES E. DOWNEY (Arthur): Mr. Chairman, on a point of order, I do not particularly like the way in which the Member for St. Johns has referred to the Minister of Agriculture or myself in saying that I do not tell the truth. He has not got any backup or any particular reason to say that, Mr. Chairman, and I would request that he withdraw that statement that he made.

MR. CHAIRMAN: On the point of order, I would recommend that remarks of untruthfulness and telling lies are unparliamentary and I would request the honourable member, unless he has something more specific, to withdraw remarks of that nature.

MR. CHERNIACK: Mr. Chairman, the Minister said he didn't like my saying it; he said unless I could show it, and I can show that what he has been saying is not telling the truth.

Mr. Chairman, on the point of order, when the Member for Rupertsland said something about pig-headed Conservatives and the Minister of Finance rose in all his splendour to say that it is unparliamentary, I took the book, and I found here that it is perfectly in order to say "not telling the truth", and I'm saying that the Minister of Agriculture is not telling the truth when he describes our Agricultural land policy, not telling the truth, and I say that because it is both parliamentary to say it and it's correct to say it, so I have said it, Mr. Chairman, and that I suppose is sufficient, unless you want to insist that I . . .

MR. CHAIRMAN: I would think that it is unparliamentary.

MR. CHERNIACK: Here's the book. Mr. Chairman, may I read from Beauchesne's Parliamentary Rules and Forms, 5th Edition, page 110, it says, "Since 1958 it has been ruled parliamentary to use the following expressions", and then they go on alphabetically to page 113, where it says, "Truth, not telling the truth", Debates, February 9th, 1970, page

3342. And it also says something about pig being in order.

MR. CHAIRMAN: To the honourable members I had asked you to withdraw the remark of, not telling the truth. I understand now at this point it is parliamentary to use it, as well as unparliamentary to use it. It has been ruled both ways, so I'm not . . .

MR. CHERNIACK: On that basis, Mr. Chairman, on the point of order, I withdraw it anyway.

MR. CHAIRMAN: Thank you. Clause 4 — pass; Resolution 60 — pass.

Resolved that their be granted to Her Majesty a sum not exceeding \$1,953,000 for Energy and Mines; Acquisition/Construction of Physical Assets, \$1,953,000 — pass.

I would ask the honourable members to turn to page 54 of the Main Estimates, Resolution No. 57, Item (a) Administration, (1) Minister's Salary — pass.

The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, you will recall a couple of evenings ago when we had just passed this section that the Leader of the Opposition rose to direct a few questions to the Minister on one of his responsibilities. We had some discussion at that time on a point of order as to whether such questions were properly in order at that point, and I believe it was your ruling and the acceptance of the Committee that any such questions would be in order under the Minister's Salary. The Leader of the Opposition unfortunately could not be in the Committee this evening because of another appointment and he did not inform me of the questions that he intended to ask about Flyer Industry but, just on a matter of principle, Mr. Chairman, I would like to ask the Minister of Mines whether he is presently negotiating with anyone for the sale of Flyer Industries?

MR. CRAIK: Mr. Chairman, this has already been before the Committee of the Legislature; has been explored and examined, comes under the MDC and there has been every opportunity available for the members opposite to have a look at this. If they have failed to do so then that's their problem, but every opportunity to explore that topic has been made available to them, and I can't take the responsibility if they have not availed themselves of that opportunity.

However, I can indicate to the member the same thing as I have said before, that in the case of Flyer Industries, as in the case of some of the other Crown corporations, we have looked at the possibility it might be associated with divestiture or any other opportunity that may be open to the government to insure the future, expand it, improve the economic base and improve the performance of the company.

I can tell him that at the present time that's still under examination. There is nothing new to what I indicated to the House some time ago and that was that in 1980 we were looking at it actively and we indicated to those that were interested, some time in late 1980 or early 1981, that the matter was in abeyance for some time and that we would notify any interested parties whether we were interested in proceeding further and that's where it still stands.

MR. WALDING: Mr. Chairman, I thank the Minister for answering the question.

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

MR. CHERNIACK: Mr. Chairman, on the question of Flyer. As I recall it the Minister made a comment which was reported in the newspaper so I don't know how correct that comment was, but it seemed like he was saying that some of the employees in senior management, who had some adverse things to say about present management at Flyer, were, I think he said something like disappointed suitors or disappointed lovers, something that had to do with a marital arrangement.

I wonder if he would clarify what actually he did say, rather than what appeared, and what he feels about these people in regard to their possibility of being potential buyers.

What he said earlier was that, I mean just a few moments ago, the matter is in abeyance, but people who were interested would be communicated with. Does he include in that group those people from management or from Flyer itself, who apparently indicated an interest in purchasing the business.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Mr. Chairman, I will say that the vast majority of the people at Flyer deserve a lot of credit. The company was in great difficulty two years ago, and in the last year it brought itself around to eliminate those difficulties and reach a break-even position, and the company is showing signs in the current year of doing better. I think that tremendous credit is due to the vast majority of the employees at Flyer for having put their shoulder to the wheel and that goes right through the system from the work floor through the management, and that credit is due to them.

As to the specific remarks the member refers to, if he wasn't in the House, he can look up the record from the question period of that day, and he'll find the official record there.

MR. CHERNIACK: Mr. Chairman, I appreciate hearing the Minister make the statement he did about a publicly-owned operation, to indicate that it is possible to maintain one contrary to what I believe is the philosophic approach of his party.

May I ask him to answer my final question, which was: Will those people who are interested in making a bid or trying to purchase the business from management or from the employees of Flyer, be given an opportunity to recommence negotiations.

MR. CRAIK: In the event, Mr. Chairman, that the government proceeds with a program that would lead to that type of approach, namely, divestiture, I'm sure that the employee group, if they can be dealt with as an official group, will be approached. The divestiture procedure, if it were followed, would be followed on a basis that would allow open competition for the company, so that a comparative type of analysis and a comparison could be presented for the public in the final program if there were an action taken in that direction.

So if the employee group is one of those, certainly they would be contacted as a result of having again pursued actively the route of divestiture.

MR. CHAIRMAN: 1. pass; (a) — pass; Clause (1) — pass; Resolution 57 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$1,198,800 for Energy and Mines, Administration \$1,198,800 — pass.

That completes the Estimates of the Department of Energy and Mines.

Committee rise.