

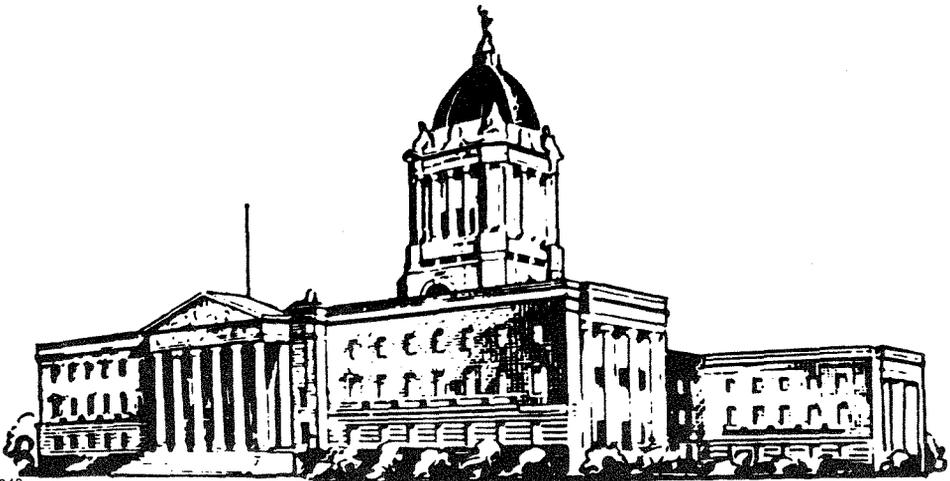


Second Session — Thirty-Second Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

31-32 Elizabeth II

*Published under the
authority of
The Honourable D. James Walding
Speaker*



MG-8048

VOL. XXXI No. 68B - 8:00 p.m., MONDAY, 16 MAY, 1983.

MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Second Legislature

Members, Constituencies and Political Affiliation

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

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, 16 May, 1983.

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - ECONOMIC DEVELOPMENT AND TOURISM

MR. CHAIRMAN, C. Santos: Committee, please come to order. We were on Item No. 2.(b)(2)(a), which is Industry and Trade, Industry, Salaries.

2.(b)(2)(a) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, when we finished, the Minister was explaining the \$230,500 increase in salaries and giving the assurances that's the way the increases worked out. The reports that we have year ending December, 1982, on Manitoba Investment Activities, and it shows 1982 being down considerably from 1981, are there any specific projects being worked on at the present time? What investment is being looked at in Manitoba at the present time?

I might say, has there been any more advancement on the development of Black Island sand in the province? What development is being done in the aerospace industry? Can the Minister give us any specific projects without giving away confidences of companies that are being worked on at the present time?

MR. CHAIRMAN: The Honourable Minister.

HON. M. SMITH: Yes. Projects in process include the 3-M Canada, Premier Peat Moss, Burroughs Business Machines, Rock Lake Oilseeds, and Winpak Ltd.

We continued with the offset and so on - the aerospace offset - and for next year are focusing on the new fighter aircraft and Canadian Patrol Frigate offsets.

The Black Sands project is one of those that its time may come and the people that are watching it do keep an eye on it to see if and when it could become feasible, but right now it doesn't seem to be at that point.

Based on the experience this year, this group expect to be able to identify around 20 new investment opportunities and out of that to attract approximately 10 new plants with about 350 new jobs and \$30 million Capital investment to the province. That's looking at the situation in relation to what's happened last year and this year.

They're also using the same pattern of prediction or goal setting; expect to assist approximately 25 new existing manufacturers to expand their operations here. In some cases if the economy stays low or dips, it may shift into a retention operation rather than an expansion, but we feel they are equally important roles, and to a certain extent we have to be ready to deal with the economic conditions as they emerge.

There is also a Quality Assurance Program whereby we can make grants to help industry improve its

competitiveness, and that can be the full range of activities that they can undertake to do that.

I can go into more detail on the things going on this year, but one that I think the member might find interesting is, the Federal Department of Immigration have been selecting entrepreneurial immigrants and this is an effort to be a bit more selective, I guess, in the kind of immigrants that are approved, recognizing the value of the entrepreneurial spirit to the growth of the economy. There were about 40 of these applications that were administered this year and the expectation is that there will be about 7 million to 10 million investment, about 130 jobs coming from that source.

There is the usual ongoing work with the productivity centre operated by the Manitoba Fashion Institute where we give them some assistance.

MR. F. JOHNSTON: The Minister mentions Quality Assurance Program, and then grants. What type of grants; under what program?

HON. M. SMITH: It's under Enterprise Manitoba. It's an agreed-on grant between us and the Federal Government to deal with any of the technical improvements, feasibility study, that sort of thing where we can demonstrate a probability of improved quality. I guess if you could call that productivity you would get the meaning.

MR. F. JOHNSTON: The aerospace industry, Standard Aero Engine were very interested in having the repair and overhaul of the 104 engines, I believe it's the 104 engine in the F-18. Are they still moving ahead, or are they still interested in having that repair and overhaul in Manitoba?

HON. M. SMITH: Yes, when I said that we are working to obtain the industrial offset work with the NFA and the Frigate program, that can be a mixture of contract work and overhaul work, and Standard Aero, Bristol, possibly Boeing.

MR. F. JOHNSTON: There were some feasibility studies done by the companies. I believe the province was involved in one of those feasibilities with Standard Aero, as to the - well, I guess - feasibility of having a test stand, or the money being made available to have a test stand in the Province of Manitoba. They will not be able to overhaul that engine unless they have a test stand. The Standard Aero Engine had done some feasibility on it, having the work on the F-18 plus looking towards some work on commercial airlines, being able to overhaul the jet engines on commercial airlines.

Does Standard Aero still have intentions of looking at a test stand in the Province of Manitoba?

HON. M. SMITH: We don't have any up-to-date information on that, but I guess our usual procedure is to participate if we have feasibility monies that we can help companies pursue a study like that. They come

to us if and when they think there is a role for us to play. We do keep regular liaison with potential purchasers, of their services, usually in Ottawa or down east. That's an ongoing activity, but I can't give you anything specific on that particular issue. I can undertake to get it for you.

As I say, we may not have that information unless they choose to ask us to play a role. In many cases these companies are quite able to pursue their own interests and really, I guess that's our wish in the long run, that we assist companies in an early or a critical stage, but in the long run we're quite happy when they're able to manage this kind of marketing on their own.

MR. F. JOHNSTON: The overhaul of the F-18 engines, the G.E. engine in the F-18, cannot be done without a test stand in the Province of Manitoba. There isn't really any sense in them quoting on it if they don't have one.

There was a time when Standard Aero Engine had approached the province to find out if there was an interest from the province and the federal government under DREE grants and anything the province might be able to do in long-term low-interest loans, to be able to make that test stand feasible in the province with Standard Aero Engine, so they could do the F-18 engine and jet engines especially for PWA.

There is no possibility of Manitoba doing overhaul on jet engines unless there's a test stand. If the Minister is going to check with Standard Aero to see if they're still interested in quoting on that business - and they were certainly interested the second-last time there was an aerospace meeting, the one in Quebec city - Standard Aero made their presence well-known to the industry that they were interested. Were they not making their presence well-known to the industry as to their interest in the last meetings that were held in Manitoba of the aerospace industry?

HON. M. SMITH: The staff are familiar with the project, but they haven't come forward with any proposal. I think they know the route to follow and certainly get a sympathetic ear if and when that time should come. So as I say, I can enquire to get more detail if there's anything more up-to-date that we can share, but as of now I don't have any specific project to comment on.

MR. F. JOHNSTON: The overhaul and the maintenance of the aircraft frame, are Bristol still quoting on that particular contract?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: Has the government been working with Bristol? In other words, using their good offices and their influence with Ottawa to convince them that Bristol should have that repair and overhaul on the frame because they have it on the voodoo at the present time and if the F-18 overhaul or frame is not done in Manitoba, it will be the loss of a considerable number of jobs in the aerospace industry. It will be the loss of something they're doing now to go somewhere else. Is the government working with Bristol, and I say intensively, with the Federal Government to assure that business comes to Manitoba?

HON. M. SMITH: We have been meeting with the aerospace group and have let them know, whether it's at staff level or ministerial level, we're on the ready to assist them. There is also the Canadair water bomber issue that may offer opportunities. We have, in fact, a high-level meeting planned quite soon to cover the whole aerospace area and the point we've been making, we are third in the country in our quantity of aerospace industry and we argue for our fair share, if not a little bit more of the aerospace activity.

I know the member's interest in this field and I can assure him that we will leave no stone unturned in lobbying actively for it. We did find the combination of lobbying efforts that went on, on the NRC, some quiet, some with a sort of persistence whenever we were in Ottawa, or in some cases when we sent people down to keep the pot boiling as it were, let all possible actors in the decision-making side know of our interest and of our rationale for a claim to that; know of our interest and that lobbying effort proved to be successful.

Now I think with the aerospace industry, there are many more smaller orders in a sense that we're interested in and as I said, we are in constant consultation with the aerospace group. Certainly, I am not aware of having turned down any request for help and in addition, have been taking what initiatives we feel we can.

MR. F. JOHNSTON: Sperry Univac with their association with another company are quoting on large contracts with the Frigate Program. Have they been working with the government to see what assistance they can be with Ottawa to see that the business comes to Manitoba?

HON. M. SMITH: As I mentioned before, the aerospace group does contain Boeing, Bristol, Sperry Univac, Standard Aero and they're in good communication here and with our aerospace consultant and with us, so I think if they all realize that there's some advantage that comes to each of them if all their names are known and Winnipeg's capacity is known in Ottawa, I may be taking a direct trip to Ottawa to pursue these options as soon as we complete our Estimates process.

Again, I recognize the member's strong interest and share with him that interest. We have a valuable group of industries here with, for their size, a remarkably versatile capacity both in the overhaul side and in the fabrication of parts. I think it is important that we keep a presence primarily in Ottawa where so many of these decisions are made and stake our fair claim, as it were, to a share of that business.

MR. F. JOHNSTON: The officers of the food and beverage health, electronics, aerospace, light machinery, apparel, furniture and wood products, resource and construction materials and commercial development warehousing, in the health industry products we had Otto Bock start up or turn the sod when we were government, are there any other health industry products that are looking at Manitoba at the present time which was as a result of the shows that were put on, or contacts that were made during the shows and what contacts have been made? We hoped to have somebody from the health industry.

HON. M. SMITH: I remember the show that the member is referring to as part of the series, really, of import substitution shows that were held to try to acquaint suppliers here with the requirements of government, both provincial and national, and encourage them to make bids for supplying that equipment, at the same time identifying the things that we weren't making here but which we were purchasing, gave us a list of products the companies which had the capacity to produce. We would sort of seek those companies out as potential investors and see if we could encourage them to come. Western Scientific is one company which produces lab equipment which we are working with at the present time.

Of course, during the year in addition to the opening of the Otto Boch firm and the expansion of it, we did have the fractionation, the Rh Fractionation Unit which took medical research done in this area of the country and converted it into a commercially viable operation opened out at the university. Then there have been some other openings of an industry capable of producing health foods and medicine or pharmaceuticals. Vita Health was the name of that firm.

There is a consultant working full time in that field. We're finding Germany a fairly interesting area for companies that are interested.

MR. F. JOHNSTON: The Minister mentions Vita Health. I'm looking at the January-June report on Manitoba - I have 1982 - that Vita Health has already put a plant in; \$2,139,045 DREE grant, that was put in early '82. Is the Minister referring to an expansion or did they not go ahead immediately with that plan?

HON. M. SMITH: I was going both back during the year as well as looking forward. I was in that regard noting a company that had its official opening during the year. They were operating somewhat before, but they did have probably in the first half of the year, but the official opening did come I think it was in the fall of the year.

MR. F. JOHNSTON: Is there any activity in the light machinery business which relates to the agricultural business in Manitoba?

HON. M. SMITH: Just while the staff are looking to see if there are any specific companies, I should say that many of these companies have found the market to be slowing down very much in that field and some have been looking at the potential for expansion in the future, looking both to an upturn in the economy and potential new markets. We did have quite extensive discussions with Massey-Ferguson who were looking to locate a firm somewhere in the west when the upturn came and they were looking at an area where there was capacity to subcontract. That was an attractive option for us but, as with so many of these companies, they're doing a lot of looking around and evaluating at the present time. But the decision to go ahead is pending a little clearer indication of an upturn in demand. A lot of them are operating at 60 percent on average of their capacity now, so increased volume is not the immediate priority; however, the more aggressive and far-sighted of them are looking ahead.

We've had some interest shown in rail equipment by L.B. Foster and Carron and that, of course, they would be looking forward to the expansion activity in the railways because one area of real potential for this area, if we can get all the pieces put together, should be a certain amount of benefit coming from the rebuilding of the railways if and when that does go ahead. That should be quite an impetus to our metal fabrication plants.

MR. F. JOHNSTON: Is the co-operation between the federal DREE office and the government still as good as it always was?

HON. M. SMITH: Friendly, warm and close. During the year, we have all been wrestling with the DREE, ITC and the new DRI and all the changing initials. Our new program under ITC, DREE, which has become DRI, will likely be called RDIP and we have the rough outlines of that from the Lumleyspeech after the Federal Budget. We have the shape of the program but not the final details that will enable us to see how we're going to plug into it; however, we're following that closely. We built up quite a close relationship with the federal co-ordinator who is the federal representative here of MSERD, the Ministry of State for Economic and Regional Development. Just as I think I mentioned the first day, the super ministry that looks after all the family of economic ministries, that's Jean Edmonds, and she has been extremely co-operative and helpful I think with all members of our government in maintaining very open communication and looking at ways that we can plan more effectively together with the people in the ITC, DREE Office, I guess, the other part of the grouping. Once we all sort it out, which ones we should speak to on which issues, I think the joint work has gone on quite well.

MR. F. JOHNSTON: There used to be, and I am sure there still is, a file of programs of other provinces. It would appear as if the programs and incentives of other provinces are growing steadily. Manitoba used to have an attitude that we would take a look at a project that was brought before us and we didn't have money in our budget to specifically allot to any assistance, but if we felt that there was going to be a long-term benefit to the province we would analyze it and make a presentation to Cabinet if we thought it was something that we had to do to be competitive. Does the Provincial Government at the present time take seriously the competition that is out there and are they prepared to meet it if they think it's desirable for Manitoba?

HON. M. SMITH: I think it's fair to say that this past year has not been a year when we have been in a mood or even in a position to look to making a lot of add-on decisions to our last year's Budget. The overall revenue situation of the province and the more pressing emergency problems have strapped us, and I think it's only fair to say that has been the case. We have, however, spent that time updating our book that does review other programs in other provinces and we are finding at the moment a proposal for ERIC Committee which really examines all the instruments available to government to provide whatever support seems to be

the most appropriate in order to get a firm to locate or expand here and provide economic benefits to the province.

As you can appreciate with resources being scarce, even more so perhaps than when the member was himself in charge of this area, we've had to look very closely at the instruments and at the conditions under which we would recommend public money being spent or loan guarantees being given. We do feel that we're arriving at a much clearer perception I think as to how we can evaluate these opportunities and how we can recommend a flexible use of available instruments, so that we can in fact play a much more targeted effective role in bringing industry here and developing what we have.

We have rejected the general approach of trying to match straight grants, incentive grants from other provinces. It's not a competition which we can readily win, and I think we could spend our limited resources very very quickly without necessarily having much to show for it. So we're opting for a much more disciplined approach in one sense where we will have to analyze very carefully what the probable benefit is to the province and then tailor the kind of help in a very flexible way but also a prudent way.

However, I think it is correct that Manitoba has for 10 years, perhaps roughly that period of time, been growing at a slower rate than the provinces to the west of us. In some ways, we had some mature industries which the western provinces didn't have. In some cases, the market conditions, just the locus of the market shifted to the west and I don't think that we had always recognized that or realized how important it was to regenerate our industry and build some new industry, so that we wouldn't find ourselves really left too far behind in the economic development field.

We're very mindful of the nature of the problem and are using our programs in as prudent but as creative a way as we possibly can.

MR. F. JOHNSTON: There was a definite increase in manufacturing and it has certainly dropped, according to all statistics, in 1982.

The manufacturing area of Manitoba is an export business. We're only a million people here and we always have been an export province in manufacturing and we have been a supplier to Western Canada, or the prairie provinces. What efforts are being made at the present time? And the Minister refers to railroad, there is no question that the railroad expansion is going to take place. As a matter of fact, there are contracts that have been let by both railways at the present time to begin on that expansion. Has Manitoba been involved in the types of industries that we will be able to expand, or the new ones that we will be able to move forward with in this huge expenditure of dollars that will take place in the railroad industry in the next 10 years in Western Canada?

HON. M. SMITH: We have been active on the railway end of it in the question of building coal cars in Transcona. We did telex the Federal Government to indicate, not only our interest, but what we thought was a very strong claim for some of that work to be here in Manitoba. In general, I think some of the thrust

that was done to get benefits from the western mega projects, that approach can be put into effect again on railway supply and I think that is the type of information show, spur if you like, to local industry that is quite appropriate.

We're working also with the Federal Government on signal equipment for the electronics side of railway expansion. Canron and L.B. Foster are also two companies that are working on specific projects relating to that. I think in regard to our overall activity to renovate or improve and renew, get new industry, we recognize that traditionally we were a supplier to the west and there is still going to be some of that role, but we must also accept the desire of the western provinces themselves to become more balanced in their economies.

We, after all, didn't like to be hewers of wood and drawers of water and beholden to the east for all our supplies and Manitoba, in fact, did develop as quite a distribution and supply centre in the opening up of the west, but it's not unnatural that the provinces to the west of us, as they mature, don't also want to move and get some of their fair share of that activity. They have had more rapidly growing populations and although they have had boom and bust conditions in the recent past, they have had natural resource booms that have given a great impetus to the development of new plant in their areas, which in some cases lead to close down of comparable plants or older plants making the same products here in Winnipeg.

So we're mindful that we can't go ahead by standing still. We have to find our own way of moving ahead and that's where we've looked at the, not just plant-by-plant approach, but we've tried to look at some of the development factors that cut across all sectors. That's why we put in the venture capital corporations to start out trying to see if we can improve the supply of venture capital for the emerging companies in the growth sectors, that's in some manufacturing and processing, some high-tech fields, some of the tourist industries, some of the cultural-type industries such as film or publishing.

It's also why we've worked on the Buy Manitoba, Buy Canada Programs in order to get more opportunities for our own companies to supply so we're not as dependent on imports. It's not that we forget that we are dependent on trade; what we're looking for is a balance. Right now we're roughly \$1.6 billion. We can't be more precise because, in fact, we don't even have accurate statistics on the outflow-inflow of industry. Our trade, for example, tends to get measured at a port of export and that may or may not be in our province, but as far as we can guesstimate it, we're \$1.6 billion in imbalance and therefore the Buy Manitoba, Buy Canada procurement policies are targeted to try to redress some of that balance.

The technology programs that will come up under MRC and which we've alluded to earlier, are also a very strong thrust to improve the competitiveness and the sophistication of our design and production procedures in manufacturing. On the technology side, we are seeing a coming together of what's going on under education and labour and employment services where, with The Federal-National Training Act, I think there's about \$20 million currently being devoted to the emerging types of job fields; computer field,

industrial engineering and so on, so that we will have a workforce trained to work in these emerging industries and that, tied together with our tech centres and the new CAD/CAM capacity that we've introduced at the Industrial Tech Centre, should be some of the ingredients at least that are required to spur the development of new activity.

We have, in our analysis of Manitoba and Canadian economy, also recognized that service industries that we used to, I think, give a lower priority to because we thought they tended to follow manufacturing or primary-sector activity and were not valuable in and of themselves, we're finding that, increasingly, many of them are emerging as strong and relatively autonomous activities.

If I've mentioned things like the financial services, insurance services, engineering services, the whole realm of cultural activities, that many of these bring money into the province, into the country and provide a lot of jobs, interesting jobs and they, in a sense, are characteristic of a more advanced economy. Now I think, to be completely balanced, we'd like to see ourselves with a little more manufacturing and processing, but the development of the services industries is a very hopeful sign. It's the kind of specialization that, I think, has a lot of sense for Manitoba.

MR. CHAIRMAN: 2.(b)(2)(a)—pass; 2.(b)(2)(b)—pass; 2.(b)(3)(a) . . .

MR. F. JOHNSTON: Just a minute, 2.(b)(2)(b)?

MR. CHAIRMAN: 2.(b)(2)(b), that's Other Expenditures.

MR. F. JOHNSTON: There's quite a decrease in Other Expenditures and this would appear as if the expenses of these development officers has been cut drastically. Does the Minister believe that you can have more development officers and it's desirable to have them moving around doing everything they can to follow up leads to bring business to Manitoba? The Minister mentions Germany, that's a very costly place to travel in. How do we justify the decrease in the Other Expenditures of this department? The Minister mentioned that Mr. Grant was in Other Expenditures so that's probably around \$35,000. But there is a large decrease which is only going to cut the expenses of this department and handicap them in moving around to follow up or chase leads for the Province of Manitoba.

HON. M. SMITH: No, I can understand the member's concern because on the face of it with the degree of detail that you have in front of you, that is the conclusion one might draw. But that decrease is almost completely attributable to the grant to Superior Bus that was given last year. The member may recall that there was a two-part grant, \$125,000 each that was put in place primarily to help with their problems and last year was the second part of that grant. If you add that on to this year's request you'll see that we've only made a minor cut.

Again, nobody likes the problem of cutting on the operation side but what we were faced with in the overall budgeting process was, I guess, a choice between people and their skills and heavy support expenditures. In this particular area so much of our activity and ability

to do things depended on the quality of the consultants we had, we felt that we could make some minor savings on the expense side but retain those people and their expertise.

MR. F. JOHNSTON: Pass.

MR. CHAIRMAN: 2.(b)(2)(b)—pass; 2.(b)(3)(a), Regional Benefits, Salaries - the Member for Sturgeon Creek.

MR. F. JOHNSTON: This is the area where the development corporations receive their budget from?

HON. M. SMITH: No, you're thinking of the Regional Development Corporations and they appear under the Enterprise Manitoba.

This was the group that, I'm trying to recall the name that you gave it, it was the one that looked at how to get industrial benefits here from the mega projects, either out west or here in Manitoba, and we've called it regional benefits.

This group have done a lot of work on the import substitution activities, the Buy Manitoba procurement policy and organizing some of the seminar activity in Waskada to see that the local firms, or Manitoba firms, could maximize their benefit from the mini oil boom that we're having in that area.

MR. F. JOHNSTON: Who is the director or the head of this group?

HON. M. SMITH: The handsome fellow at the table, Dave Sprange.

MR. F. JOHNSTON: Pass.

MR. CHAIRMAN: 2.(b)(3)(a)—pass; 2.(b)(3)(b) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: There is a very large decrease in Other Expenditures and I'm mindful of the fact that there was a lot of setting up last year and the year before to put the information into shape regarding our whole program of manufacturers and also the listing of different projects through Western Canada but there is a decrease here and it's again an expenditure that shouldn't be decreased if we're looking for more investment in the Province of Manitoba and the co-operation with the other provinces under this program. Unless the reason I gave it, what is the reason for the drop in expenditures?

HON. M. SMITH: Basically the sourcing and service directory work that was done before is virtually complete and just needs a bit of maintenance. Their ongoing work will be an audit of the purchasing program in our Crown corporations and agencies, to further the Buy Manitoba approach and we'll be looking into what further work we can do to get more of the oil and gas opportunities for Manitoba companies here and out west, should there be expansion.

There will be some move into the Buy Canada area as well but, I think, it's fair to say that until there's considerable expansion in investment activity, either in Manitoba or elsewhere in Canada, we can't do a lot

of preparatory work. There needs to be some urgency with a lot of companies, or a real prospect, as it were, of business for that activity to be effective. But I think we know how to do that fairly well now and we could gear up if we had to.

MR. CHAIRMAN: 2.(b)(3)(b)—pass; 2.(b)(4)(a) Trade, Salaries.

The Member for Sturgeon Creek.

MR. F. JOHNSTON: Here again, is this the same group that's under Mr. Pursaga, is it, or am I wrong?

HON. M. SMITH: We have a new director, Dennis Cleve, who is also sitting at the table by the curtain.

MR. F. JOHNSTON: Is the work of this Trade Department similar to what it has always been? In other words, there was a time when we had certain personnel designated to make calls in specific areas maybe once or twice a year contacting Canadian Consuls, trying to put together purchasers in other areas with manufacturers in the Province of Manitoba, to expand the Manitoba economy, or working with the manufacturers or whatever - if you want to call it service industry - is this the same policy with this department?

HON. M. SMITH: We've organized the department more by sector. There is a trade development officer that is responsible for a cluster of sectors, related if possible. They do some travel to seek out potential opportunities. They work with the manufacturers in those areas to encourage them and assist them to develop their marketing skills and, of course, to help them to plug into the federal programs which are designed to offer varieties of assistance including export credits and help with the reorganization of the federal system where they put the trade people in with the External Affairs Department.

We now have our trade consuls in the External Affairs Departments all around the world. I don't know whether it's going to lead to an increase in numbers, but the hope is that the integration of diplomatic activity, if you like, will be tied a little more closely to our trade activity. The fond hope is that it's going to get more economic value for Canada out of the new system. It's our intent as we again face the problem of being a small population, limited resources, but having quite a variety of sectors, we're going to be using these trade consuls to the full to give them information for potential purchasers, but also get what information we can from them, so that when we plan overseas trips, they'll be somewhat more targeted.

We have received a fine background paper at the moment on the emerging markets in the developing countries, the newly industrialized countries. They are the ones that are demonstrating quite significant growth rates. Although they've started from a fairly low level in many instances, there's great room for development. There's some problem, of course, with financing because they too are struggling with too little money to do too many things. However, there are ways and means of building trade with them. We're certainly making use of every bit of expertise we can get so that our efforts will be effective there.

We've had some successful initiatives in the Pacific Rim area, where we've sent envoys out to have seminars with potential investors. In fact, the first trip out there, there were a lot of inquiries, but some actual decisions to come here made the trip well-justified.

As I say, I think if we proceed with a mixture of careful strategy and pretty prudent selection of where we go, we are going to see increase in trade. I think it's an area where we have a long way to go. It's probably emerging as one of the most significant priorities for the future, particularly as we increase our technology, we may be putting some people out of work. If we're ever going to solve our own job problems here at home, we just have to seek out and find more markets.

I, for one, feel optimistic in the sense that I think Manitoba has the capacity to get out and do it. It's rather an exciting prospect. There is more sophisticated help available to us now than there used to be. The Federal Governments certainly are putting a high priority in this field. We'll be trying to make use of as much of their program money and assistance as we can.

MR. CHAIRMAN: 2.(b)(4)(a)—pass; 2.(b)(4)(b)—pass; 2(c)(1) - Communication and Information Services, Salaries.

The Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, for the life of me I can't figure this one out, unless there was some funds transferred in from somewhere else last year. We were looking last year, in 1983, at 438,500; we have a 1983 print of 562,100; now we have 314,000 in Salaries which is 64,000 over last year and we've got five more people.

HON. M. SMITH: Yes, what we have done is put together the Communications and Creative Services people or five of them from Travel Manitoba into this group. That was an information writer, manager of Creative Services, a marketing officer, a photo librarian and an information writer. So there's been no increase. You'll see a comparable decrease in the Travel Manitoba budget that's been putting them together as one unit within the total department. We aren't looking at Travel Manitoba as a completely separate activity. We see it is an industry cluster of a particular nature. We wanted our Communications and Information Services to be co-ordinated here and then used by either grouping as appropriate.

MR. F. JOHNSTON: The advertising people from Travel Manitoba are now here?

HON. M. SMITH: Five of them are; five positions have been transferred in.

MR. F. JOHNSTON: You say that there'll be a decrease in Travel Manitoba?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: Why wouldn't there be an increase in Communication and Information Services, \$64,000 doesn't cover five people? If you've left it in Travel Manitoba, fine, but . . .

HON. M. SMITH: Have you the adjusted vote figure or have you the printed vote '82-83 was 126.5; the

adjusted vote after five had been transferred in was 250.1. Then the vote for '83-84 is 314.1. You have the adjusted vote, so that would already account for the five. The increase then is the two salary increases and the 27th pay period.

MR. F. JOHNSTON: The adjusted vote was what?

HON. M. SMITH: Are you working from the big Estimates book? This year's Estimates book, the adjusted vote for Salaries is 250.1, but the printed vote last year was 126.5. During the year the five were transferred in from Travel Manitoba.

MR. F. JOHNSTON: Okay. I think when you said 126,500 is what you . . .

HON. M. SMITH: Yes, that was the printed vote last year.

MR. F. JOHNSTON: So, there basically is no increase in the Communication and Information Services as far as personnel is concerned when we take Travel Manitoba or Tourism and Economic Development and put it together.

HON. M. SMITH: Same number of SYs, yes.

MR. F. JOHNSTON: Who makes the decisions as to what companies will be doing the filming for Travel Manitoba, or for the department then generally?

HON. M. SMITH: Travel Manitoba last winter worked with Westcom and that decision was made by consultation with the central co-ordinating group, because of the timeframe we moved right into using that firm. The economic development side has tendered and made a selection on the basis of the tendering. They usually go through the double process of getting several firms to submit a rough outline of what they would do and then reducing it down to a final group of three and then the recommendation is made by the department group that is responsible. It goes through the usual confirmation process, the Treasury, I guess, it would be.

MR. F. JOHNSTON: In other words, then the central group, and I must ask who's in charge of that, made the decision on who Travel Manitoba would use last year?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: Who's in charge of the central group?

HON. M. SMITH: They made a recommendation to us. Dan O'Connor.

MR. F. JOHNSTON: Westcom hired several helicopters, and one especially out of Saskatoon, that flew up and down the province taking miles of film, that had to be developed in Ontario. I believe we have always used - and I might not have this right - I believe we always used 32, but whatever Westcom used had to be

developed in Ontario; there is no process for developing it here. That would seem to be a very expensive procedure, especially when we have people in Manitoba who've been developing the type of film we've been using for years and putting it on television and using it. If that decision was made by Westcom and approved, it would have been approved by the tourism or it would have been by Mr. O'Connor.

HON. M. SMITH: Well, I think a decision like that would have been made in a co-operative way. They would have made their presentation for what they wanted to do and why and made a budget suggestion. The group would have had to approve it and they did operate, to my knowledge, within the budgetary allocation.

MR. F. JOHNSTON: Is the figure in the Budget available for the tourism promotion last year, or for the Westcom contract?

HON. M. SMITH: Perhaps the member would raise that when we get to the Travel Manitoba section. We can obtain that information perhaps for the next session.

MR. CHAIRMAN: 2.(c)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I would like to have that information, because we were very successful working with products that could be developed in the Province of Manitoba using Province of Manitoba's companies and personnel to do the job. If there is a situation, and I know that there was a situation where the film was sent to Ontario to be processed because they used a meter that could not be handled in the Province of Manitoba. That to me is just disgusting.

The fact that they hired transportation out of Saskatoon is also a deplorable situation. So, I would like to have the amount of the contract with Westcom when we get to Travel Manitoba.

MR. CHAIRMAN: 2.(c)(1)—pass; 2.(c)(2)—pass; 2.(d)(1) Small Enterprise Development, Salaries.

The Member for Sturgeon Creek.

MR. F. JOHNSTON: This group is the group that work out of the Lagimodiere Blvd. Centre?

MR. CHAIRMAN: Would the member kindly repeat the question?

M. F. JOHNSTON: This is the group that works out of Lagimodiere Blvd. Centre?

HON. M. SMITH: No, this is the Lakeview Square Group. They administer the department program and also some of the administration of Enterprise Manitoba. Then there is another group that works out of the Lagimodiere locale.

MR. F. JOHNSTON: The Small Enterprise Development, it was mainly a Small Enterprise Development working on the program. What are the programs of this department at the present time?

HON. M. SMITH: This is the group that has administered the Parkland E.D.C., small business

development in assistance and then specific projects. The real Small Enterprise Incentive grants, the Venture Capital, these would be all the Enterprise Manitoba programs. I'll just list them because I think that's easier than trying to separate them out.

There is some overlap with the Enterprise Manitoba activities because some of the services are similar. This is where we have the executive director and an administrative support person and a planning support person. Then we have the projects, a Small Business Development, RSEI, Venture Capital, the Community Commercial Development, the Winnipeg Enterprise Development Centre, which is the one out at Lagimodiere, the Brandon Enterprise Development Centre, the Dauphin Enterprise Development Centre, the Regional Development Corporation and the Interest Rate Relief.

MR. F. JOHNSTON: We have 16 people in this department and I know that there is conflict; I know there is a mix here. How many development officers in small business do we have in total?

HON. M. SMITH: We have 17 in this group and then we have, 17 in total, a director, 3 secretaries, 7 senior consultants, 4 consultants and 2 clerks. There has been one position transferred into this group during the year and that's the Director of the Regional Development Corporation.

MR. F. JOHNSTON: What I asked is the Small Enterprise Development and then we have Enterprise Manitoba that works out of Lagimodiere Boulevard under Mo Levy, and Mo Levy is responsible to the director here. How many people do we have in total between Enterprise Manitoba and this group?

HON. M. SMITH: There are 42 in total because, as you know, there are quite a few different Enterprise Manitoba Programs. We have 17 here that administer the entire lot and some of them are solely department programs others are Enterprise Manitoba programs. This is like the administrative group for the total of 42.

MR. F. JOHNSTON: Small Business Counselling is in this group?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: Just let me ask you, where does a fellow like Frank Kovats work out of at the present time? I know he works all over the place but . . .

HON. M. SMITH: He's in the Enterprise Manitoba Winnipeg Enterprise Centre out at Lagimodiere with Mo Levy.

MR. F. JOHNSTON: And Mo and his group also do small business counselling?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: And this group does small business counselling.

HON. M. SMITH: Yes, they may have a specific area geographically or a specific program for which they

have major responsibilities. Some of the consultants are just available to deal with small businesses as assigned to them; others have administrative responsibility for a sub-program, if you like, in the Small Enterprise Development area.

MR. F. JOHNSTON: You mention this is where the Interest Rate Relief Program is administered?

HON. M. SMITH: Yes.

MR. F. JOHNSTON: Can the Minister tell us how many there are now, at the present time?

HON. M. SMITH: There are six people.

MR. F. JOHNSTON: Six people in the Interest Rate Relief Program. Could the Minister tell us how many people have been served by this program to date?

HON. M. SMITH: 421 companies.

MR. F. JOHNSTON: Jobs?

HON. M. SMITH: There is a - 1,543 - actually here's a little later report of 448 as of May 13th have been approved and some of these, as you may recall in the design of the program could be eligible for a second year. Some of the work is involved in counselling, then reviewing their applications.

MR. F. JOHNSTON: I won't dwell on the Interest Rate Relief Program, the Minister knows that I have a request for an Order for Return that was accepted by the government, and I repeat - accepted by the government - and I know that there were concerns expressed by the Minister and the government that that Order for Return should not be tabled. I have requested that it be tabled and I'm going to continue to request for it to be tabled and I've also written and had a verbal reply from the Legislative Counsel that the government is not liable in any way, shape or form if that Order is tabled and I firmly believe that if people are going to take advantage of a government program, they have to be prepared to have it put down the same as Enterprise Manitoba and, I might say, I thought about that very thoroughly.

When we get continually press releases which are absolutely public relations informing us on how well this program is doing, and the Minister, in her speeches and opening remarks says what a great thing that has been done for small business with the Interest Rate Relief Program but, by the same token, the Interest Rate Relief Program that was put into operation in this province last year was criticized by the opposition as to the structure of the program, so I'm going to still insist for the Order for Return.

Yet I see brochures put out, small business brochures, that for instance was the difference between survival and failure - Manitoba Interest Rate Relief Program - I would assume that there's permission been given by these people to use their name, but if that type of publicity is going to be put out and there's going to be continued announcements about how great the program is, the Order for Return should be placed on

the table. The Minister may still object but if this is an open government, and we keep talking about open government, and this Order for Return was accepted after a lot of discussion, not across the House, but was ultimately accepted, the Order for Return should be tabled in the House.

Mr. Chairman, I have nothing more on Interest Rate Relief until I see that Order for Return.

HON. M. SMITH: Last year we had quite a lot of discussion about this issue and I made it clear that I thought that the confidentiality relationship we had with these small businesses which, in some cases, they were having financial difficulty or they wouldn't have been coming to us and one of the conditions of helping them I guess, is not making public in the short run, at least, that financial difficulty.

I did, along with my colleagues, discuss this at some length and what we agreed to do, and I think this was made known to the member last fall, is table that list with the amounts, with the Attorney-General's office, and the honourable member and any of his colleagues were at liberty to go and inspect the list.

What we chose not to do, and Orders for Return can be honoured immediately or after a judicious period of time, we're choosing the latter course; but to be fully co-operative with the members of the opposition, have made those lists and figures available for inspection in the Attorney-General's office and we feel that's the best way to balance out our responsibility to the individual clients and to the opposition at this point in time.

MR. F. JOHNSTON: Mr. Chairman, I know it was presented to me about the lists being in the Attorney-General's office. That only means if anything did get out, whose fault could it be? I'm not interested in lists in Attorney-General's office, I'm interested in the Order for Return which is accepted by this government being tabled. There is the fact that the government could be liable if that Order for Return is tabled, according to the Legislative Counsel, is not so and I believe, sincerely, that if they have applied and had assistance from the government, it should be tabled.

I have thought this over very seriously, too; I don't think anybody would have applied to Enterprise Manitoba if they didn't need the money. They applied for expansion or they applied for starting a new business. If they didn't need the money from the government, I don't know why they came to us, so they must have had some financial difficulties, too, and I know of nobody that has been assisted by Enterprise Manitoba that has been hurt by the fact that they had assistance from them. I am still going to ask for the Order for Return in the House and hopefully we'll receive it.

HON. M. SMITH: I understand the feelings of the member but I do disagree with his analysis, in the sense that a company applying for expansion or start-up may be short of capital to do that, but is not in imminent danger of bankruptcy. We are dealing, in the Interest Rate Relief Program, with small companies who, without such a program, might well be in danger of bankruptcy and, should their names become too publicly broadcast

during that sensitive period of time, we might, in fact, bring on bankruptcy. Now there may not be a legal liability on the part of government, but there is a sort of prudential responsibility that we have as a government. When we accept an Order for Return we can use our own discretion in the timing of that return and that is, in fact, what we're so doing.

I understand that there are considerable precedents for this and, as I say, we've gone as far as we could go to co-operate with the opposition by making that information available to them. As I said before, it's a list that is available for them to inspect.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNES: Thank you, Mr. Chairman. I'm wondering, again, if the Minister could give me the figures of those that have applied for Interest Rate Relief as of May 13th. Was it 448 or did I hear wrongly?

HON. M. SMITH: That's approved.

MR. C. MANNES: Could the Minister indicate when it will be known as to what number of that total of 448 will be eligible for second-year interest relief?

HON. M. SMITH: That's an ongoing process. The program was a two-year program. In fact, as the interest rates have come down, the program is not as much in need and we feel that it's served the main part of its purpose. It's not closed down, it's still open to companies that can show that they're suffering from the interest rate, but because the regular rate has come down and many firms are able to refinance themselves at the lower rates, the numbers that are in dire straits, specifically because of interest rate, is naturally reducing.

MR. C. MANNES: Can the Minister tell me, as of May 13th, how many, indeed, if any, of the 448, are still operating?

HON. M. SMITH: Of that number, 19 have had to close, so that would leave 429 that are operating.

MR. F. JOHNSTON: Mr. Chairman, the Minister has stated that the government has the opportunity to table the Order for Return when they so desire, yet I'm just having a terrible time trying to understand why an Order for Return has been accepted. The Order for Return is completed, and then I get told the Order for Return is being held up to find out if the government would be legally responsible. I take the trouble of finding out, writing the Legislative Counsel to find out if it is. I've been told by him verbally that the government is not liable. Now I get told that we're just going to hold it up as long as we like.

I suggest that was playing games. The government didn't have the guts or the internal fortitude to turn it down to begin with. They've accepted an Order for Return which should be tabled.

HON. M. SMITH: Well, our overriding concern in this program, honourable member, is really to preserve and, hopefully, help grow small business in Manitoba.

Therefore, we're guided in our practice not solely by legal responsibility which is usually a minimal level of responsibility that one observes to keep out of trouble. We're guided in this instance by a practical and sort of moral responsibility to try to do whatever we can to enable these small companies to survive the difficulties.

In our opinion, the need of the opposition to information can be satisfied at this point in time by the list being available, and we are aware that Orders for Return did sit on the Order Book for a considerable length of time when the opposition so chose. I don't think it's something that should be done lightly. We've considered it and it's our considered opinion that this really is the wisest course at this point in time. I repeat, the information is accessible to the member in the Attorney-General's office and has been since last fall.

MR. F. JOHNSTON: I'm aware of that, Mr. Chairman, because the Minister told me it was available. If my colleagues have to walk down the hall to the Attorney-General's office to see an Order for Return, and if at any part of that Order for Return wants to be questioned in the Legislature, etc., then all of a sudden it's the opposition that brought the names out. All of a sudden it's the opposition, if there are any leaks or anything, that can be accused of what happens. Let's do it properly. Let's do it above board and put the Order for Return that was accepted on the table, and I suggest to you that the people that have had difficulties, if they're as happy about the position as these three people have been with the Interest Rate Relief Program, I would suggest that maybe their banks would be glad to know they're being assisted by government.

Mr. Chairman, I'm now in the position of looking for the next reason. I've asked the Minister. I now have to ask the Attorney-General in the House if he's going to table the Order for Return that was accepted by the government. We'll find out what excuse he will give me the next time.

HON. M. SMITH: Honourable member, we really are concerned about trying to preserve and assist as many small businesses in Manitoba as we can. We have to look at the real world in which they exist. We go to a lot of work, and I know the honourable member did when he occupied my chair in finding all the kinds of programs and assistance that would benefit a small business. I know that he looks sympathetically and with a lot of understanding at the particular problems they had.

The particular problems this batch of small businesses have is that because of insanely high interest rates - they were over 20 percent for some of them for awhile, but double-digit interest rates - they were going under. In normal times, they would have been able to survive, but they were having to cope with an economic climate that was quite beyond their capacity. This program came along. Admittedly it was not an easy program to qualify for. It certainly didn't help all the businesses that could have done with assistance, but it did act as a bit of a safety net for those ones that, with a little bit of help, could be kept from disappearing and hopefully nurtured along so that when the recovery started - and we all devoutly hope and pray - that we are into that kind of

a situation now. We are getting a slowdown in the bankruptcy rate at long last, and a turnaround this last month. We've got better statistics for which I'm very grateful.

These are the very companies that we're going to rely on to provide the jobs; to be able to expand; to keep the economic base in the province. I'm sorry if it means a temporary inconvenience to the members opposite in that the information is available in a slightly less convenient form than later on but frankly, we do believe on our side of the House that that has been the responsible course of action at this point in time.

MR. CHAIRMAN: The Member for Morris.

MR. C. MANNESS: Well, Mr. Chairman, I have to ask the Minister along the same line of questioning as my colleague, the Member for Sturgeon Creek.

It seems then as if the government is saying that the creditors would either not be happy that the business had received government support, or that they have no right to know the condition of the business? Which of those two assumptions would be correct in the sense that the government does not want to have this list tabled?

HON. M. SMITH: Well, my understanding is that there's a sort of client confidentiality that we're observing here. The member knows when there's consultation given small businesses, we don't publish all the facts of their situation. When you're dealing with a person who may be on the verge of bankruptcy and you're helping them organize their affairs so that they can manage better perhaps, as we said, the consultation role was an important part of the Interest Rate Program because we quite sincerely want more of these businesses to be able to manage. We wanted them to be able to manage their way through the trough of the cycle. That is the judgment that we have made.

There are Orders for Return that have been outstanding indefinitely on the record from the previous government and I could go and, of course, draw all those out and raise that issue. I don't, I think our decision has to stand on its own. Orders for Return do not have a specific timetable and we are dealing with it in this interim period in what we think is the most responsible way.

MR. C. MANNESS: Then I would ask the Minister, obviously the government has made the decision that the moral obligation, in their view, to the oppressed firm that suffered from high interest rate was of much higher value than the moral obligation to the opposition who has requested and received from the government acceptance for that Order in Return, would that be a fair statement?

HON. M. SMITH: Well in weighing the obligations I think we felt if we made it reasonably conveniently available to the opposition that most of their concern would be dealt with and we could then balance it out honouring our reasonably confidentiality relationship with the client. Now, that is where we came down on the issue and the honourable members might well differ but that, for the time being, is the situation. We did

appoint a board, people that, I think, are known to the members opposite, a board that we've had a great deal of satisfaction with and trust in, to handle the program according to the criteria that we've developed, and I've been very pleased with their conscientiousness and handling of the situation and, in many cases, their ability to get little firms into a counselling relationship with the department so that they could, in fact, turn this difficult time into a real beginning of better things.

MR. CHAIRMAN: The Honourable Minister of Natural Resources.

HON. A. MACKLING: Well, Mr. Chairman, I kind of think that the members of the opposition who are persisting here are really being unfair. They're saying they want this information so they file an Order for Return in order to get the information; that's the purpose for the Order for Return.

The Minister is saying that information is available to the members of the opposition, all of it, but the Minister is saying that there is concern about the effect of that information being available in a published form once it is open to everyone in the public, including other credit institutions, other people who would have an interest in the economic viability, the status of each of the companies who would be affected by the disclosure of that information.

They're implying that this is normal, anyone that is borrowing money or receiving money from government has to expect that that's a matter of public record. Well, that's so and it's not so. This particular type of relief is unique, it is interest rate relief, it is very carefully and very selectively employed to relieve those firms that are in trouble, are in very serious trouble, therefore, it's not a routine borrowing from government.

Honourable members should appreciate the sensitivity that the small companies have in respect to disclosure of that information. The Minister is trying to fully co-operative with the Member for Sturgeon Creek saying here's the information, it's there and available to you, but we think it's not in the best interests of all of these small companies to let every lending institution, every credit institution, know the details about each one of those small businesses because it may do more harm to them than good. I think we have to weigh the balance in favour of the kind of public disclosure he wants. If the opposition can find anything wrong in that information, if there's some sensitivity that the opposition wants to register, the information is available to them and they can ask specific questions or they can deal with it by, not maybe using the names, but generalize it. They have the information but to say that because we have accepted the principle of providing the information we have to do it in a manner which is going to prejudice those companies, I think, is not fair.

MR. C. MANNES: Mr. Chairman, I'm wondering if the Minister could tell me how many of the 448 successful applicants requested complete secrecy; such that their name was not to be shown or indicated on any public list.

HON. M. SMITH: I don't have that information.

MR. CHAIRMAN: The Member for Virden.

MR. H. GRAHAM: Well, Mr. Chairman, I listened with interest to the comments of the Honourable Minister of Natural Resources and he puts forward a very good argument but I don't believe that the argument covers the facts that are before us. The facts that are before us is the government accepted an Order for Return, and at the time they accepted they put no constraints whatsoever on the delivery of that information. Since having once accepted it they have now changed the terms under which they're prepared to give the information. I would suggest to you, Mr. Chairman, that if this is the way that government is going to accept Orders for Return they had better spell it out at the time they accept the Orders for Return.

We, in opposition, have to take government at its word at the time that they accept an Order for Return; we expect them to give us the information that they promised to give. The argument that the Honourable Minister puts forward just doesn't hold water at this time.

MR. CHAIRMAN: May I suggest to all the members of the committee that we are doing the Estimates now and not some issues that can be best dealt with in the Chamber when the House can be better dealt with in there, if we want to facilitate the proceedings in this committee.

The Member for Virden.

MR. H. GRAHAM: Mr. Chairman, I have to respect the advice you offer to the committee, but it is in committee that we have the greatest opportunity of getting information. If we can't get it in committee where can we get it? So, for you to suggest that we take it to the House is ludicrous.

MR. CHAIRMAN: Just a suggestion. You may not take it.

The Honourable Minister of Natural Resources.

HON. A. MACKLING: The Member for Virden says that the information is not available to the members. The Minister has said the information is available, it's not available to the public at large, as it will be by tabling in the House, but the Honourable Members of the Legislature have a right to that information, the Minister has made that clear and it's available. She is concerned about the necessity for disclosing that publicly because it could harm the small businesses we're trying to help and I don't think members of the opposition want to do that.

Now, the Honourable Member for Virden is concerned about the response to the Order for Return. I think he's right, I think maybe that we could put on the record that it should have had a caveat attached to it, but I don't think that that sort of procedural error should be something upon which the opposition now want to capitalize because I think that would be an error on their part.

MR. CHAIRMAN: 2.(d)(1) - the Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, on the point of order. It is quite right that the discussion here, as to whether

there should be caveats on an Order to Return or not may not be relevant. If there is going to be a decision made that Orders for Return can be accepted and prepared and the opposition now has to go to the Minister's office to see them, that is a practice that begins. I, for one, would be very opposed because any caveat like that that was put on in the House I would debate in the Legislature. You either accept the Order or you don't; or you accept it on circumstances, on conditions, yes, on conditions that the information is available, etc.

What we have been talking about here is a specific Order for Return that is directly from this department, from this line, where the Interest Rate Relief Program is administered. I am bringing up the point that I have asked for the Order for Return in the House; I have been given one excuse. I am saying to the Minister that I would like to have her use her good offices with the Attorney-General to table it. I believe it should be tabled because we have all kinds of advertising about this Interest Rate Relief Program; there were booklets put out on it; it was come in and see us, and see what we can do for you. The government made the invitation to the small business people that qualified; they came in with their eyes open to deal with a government. When the deal with the government, they have to be prepared to know that it is public knowledge.

So, Mr. Chairman, if the Minister is not going to use her good offices to ask the Attorney-General to table the Order for Return, we will have to keep asking for it in the House and, as I say, that this is not open government; all I can say is that the government is playing games. They want the best of both worlds; they want to say we accepted this Order for Return, we are going to be open and, when the time comes, we say we won't table it; members of the Opposition, or members of the Government have to walk down to the Attorney-General's office to see it.

Mr. Chairman, if somebody carried it out and tabled it, it could happen very easily. But no, all of a sudden the government says to the opposition, if you want to see it, you'll also be a responsible if anything gets out. That we don't accept. Just have the Attorney-General stand up in the House and say, we are not going to table what we accepted.

MR. CHAIRMAN: The Honourable Minister of Housing.

HON. J. STORIE: Thank you, Mr. Chairman. I, for one, would like to commend the Minister for her prudent actions. I think that morally and practically it would have been ill-advised to table that complete list at this time. Clearly, there is a starting point and an ending point to this program. After the funds have been distributed, after the program is ended would be a legitimate time to table such information. The Minister has never said that she wouldn't table the information. She said that, at this time, it wouldn't be a prudent thing to do and I think that's quite correct.

With all due respect to the Member for Sturgeon Creek, who may stamp his feet and say, I want it, I want it; the information that's being asked for, with respect - metaphorically stamp his feet. He may continue to ask for it and to cry the fact that he doesn't get that information, but the facts are it's quite a

different situation from what he was suggesting was the case in Enterprise Manitoba. We have a situation where a business is expanding, where they would want advertising. Where they would say, look, we're a growing Manitoba company. Clearly, they wouldn't object to having their name published, the fact that they got a government grant, I am sure wouldn't be a detrimental aspect to the fact that they're a growing company. To suggest that's anywhere similar to a company that's experiencing financial difficulty, that is seeking assistance by way of this type of a program is a similar situation, is an astounding statement from a former Minister of Economic Development, frankly. I think that the Minister has done a very practical thing, and the information that you seek is available to you. Certainly, you have to walk down the hall and I understand that may be a challenge to the honourable member, Mr. Chairman. But, I think the question of open government is a red herring.

The information was requested, there is an avenue for the member to get that information, Mr. Chairman, and the long-term question of whether the list will be tabled is not appropriate. Clearly, it will be tabled, it's simply a question of when.

MR. CHAIRMAN: On this issue, as any other issues, the duty and obligation of the Chair is to be neutral.

The Member for Sturgeon Creek.

MR. F. JOHNSTON: Just to comment to the Minister and to the Member for Flin Flon. The NDP Opposition, when the Economic Development Fund was established under Duff Roblin and then carried on by Walter Weir, they did stamp their feet and yell in the House because they believed sincerely, they believed sincerely, that grants and loans to companies should be public knowledge. It's on the record that was the policy of the NDP then. The policy of the NDP Party has now changed.

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

The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I wonder if the Minister will be distributing to us the list of the different Enterprise development programs and the amounts of money involved and the number of people involved in each program?

HON. M. SMITH: We will have those available for you first thing tomorrow, or our first opportunity.

MR. F. JOHNSTON: Well, Mr. Chairman, it's awfully hard to deal with this Enterprise Manitoba Program when there are six sections to the program and there is money allotted to each section, and we don't have anything in front of us to show how much money is allotted to each section. If it's going to be available to us, as soon as possible, I would hope that the Minister would feel that we need this now to continue; and the same thing applies to Travel Manitoba, there are six sections of the Travel Manitoba Program, and there is money allotted to each section. There are people involved in each section and we have to have the

information, as we have always had, which has been supplied to us last year and it was supplied to the opposition in previous years, to be able to take a look at the Canada-Manitoba Industrial Development Agreement.

HON. M. SMITH: That information can be available in about five minutes if you wish to proceed, otherwise it can be available tomorrow when we start.

MR. F. JOHNSTON: Well then, Mr. Chairman, I guess you agree to a five-minute stretch.

MR. CHAIRMAN: I'm open. It depends on all the members.

The Member for Thompson.

MR. S. ASHTON: I was just going to see if Committee could rise - it's 10 o'clock.

MR. CHAIRMAN: What is the wish of the Committee? There is a motion for Committee to rise. What do you wish? The Minister says you can have five minutes more if you want.

MR. F. JOHNSTON: The Minister said that we would have to wait five minutes for the information.

MR. CHAIRMAN: That's right.

MR. F. JOHNSTON: I'm not going to make any comment. You made the motion Committee rise. Vote on it.

MR. CHAIRMAN: The Attorney-General.

HON. R. PENNER: In speaking to the motion, which I would favour, why don't we compromise in this sense, that the information be provided tonight so that the Member for Sturgeon Creek can look it over between now and tomorrow and save some time for tomorrow, and rise?

MR. CHAIRMAN: The Honourable Minister.

HON. M. SMITH: I do have the main changes that have occurred. We have negotiated an arrangement with Ottawa whereby there are somewhat reduced amounts available than what appear in the printed Estimates. I can read this now and then you can get the detailed information to take home with you if you wish.

MR. CHAIRMAN: On that condition, Committee rise.

SUPPLY - ENVIRONMENT AND WORKPLACE SAFETY AND HEALTH

MR. CHAIRMAN, P. EYLER: Committee come to order. We are considering the Estimates of the Department of the Environment and Workplace Safety and Health, Item 6.

Mr. Minister.

HON. J. COWAN: Previous to the afternoon Session breaking, the member had asked for some information

on the breakdown in the cost of the Board of Commissioners and wanted detailed information. I can now provide it to him.

Salaries for the chairperson in 1981 was 59,000; salaries for the chairperson estimated for 1983 is 57,000; salaries for the Board of Commissioners - the part-time commissioners, all of them in 1981 - was 29,500; salaries will be 97,000 for the two full-time commissioners. This difference in salaries is 88,500 versus 154,000.

Then auto in '81, leasing was \$3,600, and operating was 900; leasing estimated for 1983 is 15,000, and operating is 5,000, and I've indicated that I'm going to have further discussions with the Board of Commissioners on that because I'm not convinced that it's an appropriate benefit to be providing to them.

The travel for 1981 was 4,500, estimated for 1983 is 8,000; that includes the Board of Commissioners going outside the city on a number of occasions which has not been done to any great extent in the past so one would anticipate that you have increased travel costs in that regard. That would include them going up North and going out to Brandon; I believe those are the traveling plans, at a minimum and perhaps into the western side of the northern province, The Pas or Flin Flon.

Education, Sundry, Public Relations in the past, in 1981 was 3,500; in 1983 is estimated to be 2,000 for a total of 101,000 in 1981 and 184,000 in 1983, estimated.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, could the Minister indicate other than the individuals who have been referred to, Mr. Hiebert, Mr. Dyer and Mr. Cross, have there been any other firings or release of employees during the past, or up to now since the new board took office.

HON. J. COWAN: Not to my knowledge, no. Certainly not to my knowledge, at any senior executive level. I would reserve judgment on whether a claims officer or someone at a lower level in the hierarchy might have been let go or released or went voluntarily after discussions as a result of activities, but certainly I know of none and am informed that there have been none at the senior level.

MR. G. MERCIER: Mr. Chairman, has there been an increase in the staff and, if so, how many?

HON. J. COWAN: There has been an increase and I'll get you the figures in one second. I'll give you the figures as of June 30, 1982 and as of May 13, 1983. I think that would bring us about as up-to-date as we can get and it would give you a comparison; and I'll include in that the total of temporary student positions, as well, which don't amount to much in any given year - five at June 30, 1982 and seven in May 13, 1983.

The total for June 30, 1982 was 164; the total for May 13, 1983 was 187, for an increase of 23 positions.

MR. G. MERCIER: Mr. Chairman, could the Minister give us some details of where these increases in staff

have taken place and the functions performed by the new staff?

HON. J. COWAN: Two of the commissioners would be considered as two additions; one information officer, two secretaries, two review officers and two for the satellite facility; and then we have one less person in Accounting presently; two more in Assessments; in Claims we have a total of seven more; in Medical there are seven less; in Rehabilitation there are nine more; in the Review area there are two more; in Accounting there's one more - these are temporary positions I'm giving you now - in Assessments there's one less; in Claims there's the same amount.

MR. G. MERCIER: Mr. Chairman, how does the Minister justify seven less in Medical?

HON. J. COWAN: It's my understanding the Medical Aid Section was transferred to Claims, so that they're still there, but they're in Claims and that's part of the changes to the claims structure that has been put forward.

MR. G. MERCIER: Mr. Chairman, are new positions for the Workers Compensation Board required to be approved by Order-in-Council?

HON. J. COWAN: Yes and no. New positions that are entirely new classifications are necessary to be approved by Order-in-Council, but that does not mean once they have set up a classification and structured it that they can hire within that classification, without each hiring having to be approved by Order-in-Council. It's a somewhat complex process and one which we're looking at. I know of no other similar type of organization within the government where new hirings and new positions have to be approved by Order-in-Council. It seems to be an anomaly so we want to take a look at it and see if there is any justification for continuing it.

MR. G. MERCIER: Mr. Chairman, are the employees of the Workers Compensation Board, do they belong the MGEA — (Interjection) — to CUPE. Does the Civil Service Commission hire for Workers Compensation Board, or is that solely the prerogative of the Board?

HON. J. COWAN: For the record, they belong to CUPE and, no, the Civil Service Commission does not involve itself in the hiring, although I've asked them to follow Civil Service hiring procedures, which was not always done in the past. I made it very clear to them that we would like to see wherever possible and appropriate, that those procedures be followed in their hirings. So they would be working under the same sort of guidelines in a general way, but they are not Civil Service hirings in the truest sense of the word.

MR. G. MERCIER: Mr. Chairman, there was a news report in January that the Board had spent \$1,000 to subsidize membership costs for employees of a racquetball club. Can the Minister explain that expenditure?

HON. J. COWAN: Basically, what they did was bought a book of membership to the racquetball club for

employees. I think it's interchangeable among employees so that all employees can use it and it's considered to be a benefit. They felt that by doing so, they were accomplishing a number of things and for a very minimal cost, I might add, as well. They felt that they were providing an opportunity for their employees to become more fit and I, myself, have a membership which I purchased myself for the Supreme Racquetball Club also to their Nautilus Centre because I found that I performed, or I thought at least I performed, much better in my job capacity if I was physically fit.

That is a given among progressive management today that you want to have some sort of fitness program for your employees if, in fact, you want to get the best for them. As a matter of fact, we could probably use a fitness room in this building sometime in the near future if we want to get the maximum from our own employees and I note that we're doing some exercise programs now as a government for employees.

So, I believe that it's a given and it's being accepted that, in fact, those sorts of fitness programs can provide benefits. As well, it provided an example to the private sector in regard to health of employees and I think that's a good process for them to be undertaking.

Finally, what they didn't do was use the money which had been allotted to them by Board in 1970 which allowed that each commissioner be paid the amount of \$50 per month to cover general expenses and that a membership be purchased for the chairman in the club of his choice and that expenses therein incurred by him on behalf of the Board be paid. So what they said is we really shouldn't have a system whereby we only give a benefit to the chairperson by way of paying his or her way into a club if they so desire in paying their expenses, so let's take \$1,000 and use that money to provide an example to the private and public sector and use that money to provide for a more physically fit, and for that reason, hopefully, a better performing and a better motivated workforce.

MR. G. MERCIER: Mr. Chairman, what position was Mr. Ken Carroll hired for with the Board?

HON. J. COWAN: In the first instance, after they fired him, or in the second instance, after they took him back? He was hired as a re-employment officer.

MR. G. MERCIER: Was that done by the Board itself? Was the position bulletined or was it the action of the Board?

HON. J. COWAN: I'll have to check the records to be certain. My understanding is that he was suspended from duties without pay and they lifted the suspension and brought him back.

MR. G. MERCIER: How does the Board justify hiring him back?

HON. J. COWAN: I believe they thought he was a capable individual who had something to provide to the board by way of expertise and experience. I would imagine that was the reason that they lifted his suspension, to be more accurate.

MR. G. MERCIER: What influence, Mr. Chairman, has representations from the Manitoba Federation of Labour had on the hiring of Mr. Carroll?

HON. J. COWAN: I don't think they had any influence when he was hired in the first instance.

MR. G. MERCIER: Is that the Minister's assurance of that, with full knowledge of what has transpired?

HON. J. COWAN: You will note I said that when he was hired in the first instance. In respect to his being taken back after the suspension, or having the suspension lifted, because it wasn't a matter of taking him back, it was a matter of lifting the suspension. I would assume that the same applied. But that is a question that would have to be directed to the Board of Commissioners, themselves, and I certainly haven't directed it to them.

MR. G. MERCIER: Mr. Chairman, would the Minister explain and advise when the assessment increased? I asked him in the House two days ago about an increase in assessment, he wasn't sure if it had taken place, or if it hadn't taken place it was about to take place.

HON. J. COWAN: It is my understanding that it was built into 1983 assessment rates; so the first billing would include the increase.

MR. G. MERCIER: How much is the increase?

HON. J. COWAN: There is an across-the-board increase of 9.6 percent. Some assessments also increased as part of the normal practice in respect to assessing a particular industry, looking at their accident rate, and increasing assessments as a result of increased accidents or increased claims. So the across-the-board increase was 9.6 percent and the other increases were on top of that. I can get you a detailed breakdown as to what increases were at what level because I know that material exists. It will just take me one minute to get it for you. I'll have to have that sent into me. We don't have it directly here with me, but the increases were introduced in that way. I think while we're talking about it, it's important to talk about increases in assessment rates over a period of time as well.

When all the other jurisdictions have been increasing their assessment rates significantly, Manitoba has not been increasing their assessment rate at all. As a matter of fact, it has been decreasing. Now that's not necessarily bad, if in fact what you are doing is providing a service for a minimal cost to the individuals who are financing that service, the employers in other words, so one would not necessarily say that it's bad not to have increases. But if you're not having increases at the same time that everyone else is having increases, and if all your other costs are going up, then in fact you're going to have to, sooner or later, have those types of increases if you want to provide the service.

Assessment is a very complex process because even although there weren't increases in the rates of assessment over a period of time, there was more money coming into the board because the increase in assessable payroll was there and the assessments were based on that assessable payroll, so the assessment rates themselves were not increasing. As a matter of fact, in Manitoba they were going down significantly over a period of time. If you look in the Annual Report,

you can see that is the case. Over a period of 10 years, the average assessment rates per \$100 payroll - I believe, is the figures we're using - kept decreasing, never went up, even although the costs were going up in Claims, even though the costs were going up in Administration, even though the costs were going up in Pensions, those percentages were going down, or the amount paid per \$100 a payroll was decreasing over a period of time. That was one of the major complaints of those who were saying that there was something wrong with the system a while back.

Now it's not necessarily that it is a sign of something being wrong with the system, but if you take a look at it across the board and you compare what's happening in other jurisdictions, you find over a period of time that it may in fact be symptomatic. So in Manitoba, from 1977-1982, which are the latest figures we have, the increase in the assessable payroll was increasing by 53 percent - or did increase by 53 percent - but in Saskatchewan it had increased by 104 percent; in Alberta it increased by 134 percent; in B.C. it had increased by 77 percent, so you see they were, in fact, increasing their assessable payroll faster than were we, in some instances, two-and-a-half times as fast. Excuse me, in Alberta it was only for 1977-1981 because we don't have the '82 figure, so it was 134 percent increase in that period of time.

Their average assessment and interest revenue per \$100 a payroll over that period of time was \$1.08 in Manitoba, but what was it in Saskatchewan? It was \$1.66. What was it in Alberta? It was \$2.03. What was it in British Columbia? It was \$2.28. So you have those sort of significant differences. When we took a look at that, we said the fund is not providing for a sound financial basis for future years, because there had been no increases. As a matter of fact, the average assessment and interest revenue per \$100 of payroll had decreased over a period of time. We took a look at that; we reviewed it. We said what can we do to get the fund back on sound footing. We decided that an increase in the assessment was necessary. So we provided for the 9.6 across-the-board increase in assessment, and we also had the normal procedures followed in respect to dealing with individual classes.

I don't think it was unnecessary, out of order or ill-thought out, I think it was a way by which we can attempt to recapture some viability to that fund which has to serve workers for a long time in the future.

MR. G. MERCIER: Mr. Chairman, does not that increase in assessment range up to 20 percent?

HON. J. COWAN: I think it might have been in 20 percent but higher than 20 percent in a very few number of the cases, but that would be based on an accident rate which would justify increased assessments or claims recovery process which would justify increased assessments. The way in which it's done is a fairly complex process, but they do have a formula by which they looked at each industry and see if it has been paying its share of the fund's costs in respect to its accident rate. So some of them would increase above the 9.6 percent, yes, and I indicated that. A very small percentage were about 20 percent. There was a large percentage, I think, between 9 and 15 percent. I've

asked for the exact figures to be sent down if I can get them for you tonight.

Then there was a decrease in percentage as you went up toward the higher levels.

MR. G. MERCIER: Mr. Chairman, the Minister can correct me if I'm wrong. I understand that the assessment in the past has been held to less than 1 percent of payroll cost. I don't know whether that's proper terminology. I wonder if the Minister could indicate what the increase is, if that is an appropriate comparison?

HON. J. COWAN: Some fast computations would indicate that it is probably still less than 1 percent on average, yes.

MR. G. MERCIER: Mr. Chairman, on Page 14 of the report shows Administrative expenses for 1982 - well, it shows a total of - 5,381,000. In the Board's budget for 1983, what would that figure be?

HON. J. COWAN: I have to point out that this would be one of the first years that you would have a detailed budget of that sort to be able to discuss. It's one of the reforms which we've brought to the Board, in that you didn't have that type of budgeting done in a detailed way previously. They indicate to me that they expect to spend for all those items about 5,700,000 roughly.

MR. G. MERCIER: Mr. Chairman, who received the research grants in 1982?

HON. J. COWAN: It is my understanding that Dr. Downs received a research grant of \$15,000 for Manitoba research in 1982.

MR. G. MERCIER: Are there any grants in 1983?

HON. J. COWAN: Not that have been reviewed as yet, no. It's not anticipated that there will be any.

MR. G. MERCIER: Mr. Chairman, in comparing 1982 to 1981, it would appear there is a 29 percent to 30 percent increase in Administrative expenses. Has the bulk of that occurred since the appointment of the new Board?

HON. J. COWAN: I would say with the hiring of the new employees and some of the other matters, yes, that the bulk of that has occurred since the new Board has been put in place.

MR. G. MERCIER: Mr. Chairman, on Page 18, the Minister explained Item 9 with respect to the actuarial surplus in the fund of approximately 16.2 and then 8.5 million is transferred from the Pension Fund to the Second Injury Fund, and \$3 million transferred to the Rehabilitation Fund.

HON. J. COWAN: It is my understanding that both of those funds required infusions of money, and for that reason, the actuarial surplus was taken and put into those funds. I don't think that's an unusual practice when compared with past practices at the Board. It's

a way of taking the actuarial surplus and putting it to use somewhere else in the work of the Board.

MR. G. MERCIER: Mr. Chairman, on that same page Item 10(c), I note that there will be a change, effective January 1, 1983, whereby rehabilitation costs instead of being charged to the Rehabilitation Fund, will be charged to particular classes of employers. Can the Minister explain the rationale and the justification for that change? How is that being received by employers?

HON. J. COWAN: The rationale is, as you can tell from Item No. 9 which you just addressed earlier, it was necessary from time-to-time to take money from one part of the fund, the pension fund, to apply it to the rehabilitation fund. That's not a very good practice and what it means is you have no way of assessing employers on the basis of the rehabilitation demands and needs they place on the system. This way you will be doing that. It's just like the injuries being assessed to them; you will take a pattern of rehabilitation claims coming forward for their employees over a period of time and you will start to assess them, so that that fund becomes self-perpetuating and is paid, in large part, by the individuals who have those employees under their employment at the time their injury took place, therefore, they will be charged for the rehabilitation cost to the board.

It has been received in a mixed way by employers. There has been criticism of it because they far preferred to see it done in other way where it wasn't assessed directly to them, and I think those that are going to have high assessments in that area, in other words, those that have been placing the greatest demands on the system in the past, and therefore, will have to pay the greater portion of the cost in the future, will be those that are most vehement in their rejection of that change. Those that probably won't have much assessed to them, by way of Rehabilitation Fund monies, will not be as opposed to the change. As a matter of fact, they may support the change because they will see that it is then a matter of those employees who have the records which are not admirable in this area will be those who are paying the cost of the Rehabilitation Fund.

We also, as a government, want to see more and more rehabilitation activities undertaken by the Workers Compensation Board because we believe it is far better to have a productive individual out there contributing to society, by way of their work, the wages that they make, than have an individual that may be contributing to society in different ways, but is taking money, not from society, but taking money from the fund, because they were never properly rehabilitated. In all instances, you can't rehabilitate, so it's not something which would prevent the fund from needing to be in existence in the future. It is, I think, the way which we would like to proceed in respect to making certain that the workers compensation system is there, not only to provide an insurance, but is there to be a progressive force in rehabilitating workers and making those workers more able to participate in society and provide greater returns to society by way of their participation.

MR. G. MERCIER: Mr. Chairman, I believe the report indicates in 1982 there was some 4,167 less accidents;

yet on Page 15 of the report, the total benefits increased from 32,000 to over 41,000. Can the Minister explain in some detail the reasons for that significant increase, in view of particularly the reduction of accidents?

HON. J. COWAN: The increase is due to a number of factors. One is that there has been an increase in the maximum ceiling which is standard and, by legislation, implemented when 10 percent of those workers on Workers Compensation payments reach the maximum level, and it's an automatic increase to the next level, so that's accounted for some of the increases. As well, those increases represent the fact that the individual was out on a claim for a little bit longer. I am not certain exactly how much longer, but it is a matter of days; three or four days longer, on average, than they were in the past. It also includes increases in medical payments for medical fees. You will see Medical Aid is up as well. It represents those sorts of increases.

MR. G. MERCIER: Mr. Chairman, I am just trying to find - maybe the Minister's staff has it - what the comparable figure was in 1981 for benefits paid?

Mr. Chairman, I have the figure for 1980. On Page 3 of the report for the year 1981, it would appear in 1980. The total amount paid was 27 million so it rose approximately 4 million from '80 to '81, then it has risen 9 million in 1982 which is a substantial increase. I would ask, what amount then is budgeted for in 1983?

HON. J. COWAN: I think my recollection of the briefing, which I had on this sometime ago, was that the significant portion of that increase happened in the first six months of '82 before the new board came in place, in case there is any inference left on the record by way of emission that is not the case.

It is my understanding that if you go back and look at the records you will see a significant increase in the first six months, as a result of a lot of activity and a lot of pressure on the previous Board of Commissioners during that period of time.

I would have to go back to the board itself to find out if they had made an analysis of what it would be for the next year. I think they have to do that by way of their development of assessment rates, but I would have to get that detailed information from them, I don't have it here.

MR. G. MERCIER: Was that not in their Budget for 1983? I think the Minister has said that the Budget is something new that the board had developed. Have they budgeted a figure for total compensation?

HON. J. COWAN: No, it's my understanding that they are working on the Budget. They have completed parts of the Budget, as I was able to indicate to you earlier, and they are developing a system for addressing that in a budgetary way in the future, in a more comprehensive way, but I think there are some trend lines that are developed. I just don't have that material with me right now.

I think you can appreciate, too, that this is the first time that we've had staff present and it's a learning process for them, as much as it is for anyone else in this Chamber. So we have not been able to bring all

the data in detail which we would in future occurrences, having gone through the exercise once, so I do apologize for any inconvenience that's causing. I think it should be clear that this is a developmental process as well as Estimates that we're involved in right now and we'll address these concerns in next year's Estimates, but I can't give you a more exact figure right now on that.

MR. G. MERCIER: Mr. Chairman, I meant to ask, when was the last increase in assessment by the board?

HON. J. COWAN: In the past, it has been an ad hoc process, in a large degree. Each individual class was analyzed over a 10-year period, the last 10 years, and then there was a projection that was developed and then each individual class assessment either went up or down, in regard to whether or not they'd had an accident rate similar to what they'd had in the past, greater than what they'd had in the past, or less than what they'd had in the past, so some assessments were going up over a period of time and some assessments were going down.

I can't tell you when the last general assessment across-the-board was made, but I believe it would be in the mid-70s.

MR. G. MERCIER: 1976?

HON. J. COWAN: It might have been '76 or '75, I'm just not certain.

MR. G. MERCIER: Mr. Chairman, the Minister or the board has appointed a Rehabilitation Advisory Committee. Could the Minister indicate when that committee is due to report, or have they reported?

HON. J. COWAN: August 1st is when it is anticipated their report will be presented to the government. I certainly would suggest that it may be August 1st, plus or minus a bit of time, given the fact that we're into the summer months right then, but it should be some time in the late summer or early fall at the latest.

MR. G. MERCIER: Mr. Chairman, if a Medical Review Panel unanimously recommends against a claim, is it the board's policy then to reject the claim?

HON. J. COWAN: Each claim is dealt with on an individual basis and I couldn't indicate that they would be required to reject a claim. I think they could probably look at other factors and accept a claim if they so desired, but I would have to go to them to ask them for an analysis of how that's been dealt with in the past.

MR. G. MERCIER: Mr. Chairman, if a Medical Panel unanimously says that the person does not have any disability related to the effects of an accident in question, would the board not always reject any claim?

HON. J. COWAN: I certainly wouldn't want to be in the position of setting direction or precedent for the board by saying that they would or they wouldn't do something under given circumstances. They would have to review that case on its merits and make a decision as a Board of Commissioners, that's why they're there.

MR. G. MERCIER: Mr. Chairman, could the Minister indicate what other factors would cause the board to approve a claim then?

HON. J. COWAN: Again, you would have to address that issue with the board on the basis of an individual claim. I'm not going to try to prejudge what they might or might not do. I don't know what other factors could be there; I've never sat in on a case.

I don't know the circumstances of the individual case you are talking about and the Board of Commissioners has latitude in this area to make a decision regarding all of the factors which are put before them. So I can't say that they would and I don't know if they ever have, but I'm not going to set their policy by stating that they can't in this type of a forum. They're going to have to review each case on the basis of the merits of that case and the report by the Medical Review Panel would certainly be a part of that review, I'm certain.

MR. G. MERCIER: Mr. Chairman, how could the board justify proving compensation if a Medical Review Panel unanimously indicated that the person does not have any disability related to the effects of the accident in question?

HON. J. COWAN: That has to be an issue that's addressed on a case-by-case basis with the board. What I can find out for you is if they do have any criteria in place; I don't know at the moment. I can find out for you if there has been any criteria in the past; I don't know at the moment. I can find out for you if there is any precedent in this area; I don't know at the moment. I have pretty much, as has every other Minister involved in this portfolio, left the decision on individual claims up to the Board of Commissioners.

MR. G. MERCIER: Mr. Chairman, could the Minister advise me if a Mr. Robert Berard is receiving compensation from the Workers Compensation Board?

HON. J. COWAN: I'm not going to discuss individual cases in this House unless I've had an authorization from that individual to discuss his case, in this sort of a public forum.

MR. R. BANMAN: Is that right?

HON. J. COWAN: Yes, that is right.

MR. R. BANMAN: Glad to hear it.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I understand that in the case of this particular individual, a Medical Review Panel unanimously recommended — (Interjection) —

MR. G. MERCIER: Mr. Chairman, this is the Legislature of the Province of Manitoba. I'm asking a question. If the Minister wishes to take it as notice and advise me as to whether or not he's receiving compensation and the reasons why the Workers Compensation Board recommended compensation in spite of a unanimous

recommendation from the Medical Review Panel, would he take that as notice and advise me?

HON. J. COWAN: What I can do is take that as notice and with authorization from any individual claimant, to provide that information to you as I have done in the past, I will be pleased to provide that information to you.

MR. G. MERCIER: Mr. Chairman, we are talking about the Minister's responsibility for the Workers Compensation Board, which under legislation of the Province of Manitoba, collects assessments against all employers in the Province of Manitoba. We are entitled to ask the Minister questions as to how his responsibility is being exercised. If there are situations, Mr. Chairman, where the board, which he has appointed after arbitrarily firing the board composed of - by tradition and history and practice in this province - composed of a Chairman of long Civil Service status and composed of equal representatives from labour and management, he fired the board which was formed on that structure and appointed his own board. If this board which he has appointed is acting in this manner then we are entitled to know and we're entitled to criticize the Minister and his board and how his responsibility is being exercised.

HON. J. COWAN: Please criticize where you feel it's necessary and I indicated in the beginning that I looked forward to criticism where it was necessary and that's where you believe it's necessary, not necessarily where I believe it is justifiable, and that is helpful.

I still would indicate to you I would be pleased to provide that information to you as an MLA if you, in fact, request it and if you have the proper authorization from that client to allow me to release that information to you, I would do that. I've done that in the past and you know I've done that in the past and I will continue to do it, because that has been the practice. I'm not certain we should be talking about individual cases in these Chambers without authorization from that individual to talk about those cases. If that individual so authorizes it then we can do that, but I'm prepared to discuss the generalities and the principles with you at any time.

MR. G. MERCIER: Mr. Chairman, I want to know from the Minister and he can take it as notice if he wishes and advise me later on, details of this particular case and details in general of the number of cases that have been approved by his Workers Compensation Board, where there have been medical review panels which have recommended against compensation unanimously, because it is their firm medical opinion the disability being claimed for doesn't relate to the accidents in question. I would like to know how many of those situations have occurred like this one, and what are the reasons given by the Board for granting compensation where there is absolutely no medical evidence.

HON. J. COWAN: I will certainly provide to you that statistical data which you require. As well, I'll provide to you the copies of the minutes at which they made those decisions and they outline very clearly, for anyone

to see, their criteria that they used in making that decision.

MR. G. MERCIER: Mr. Chairman, we discussed this last year and I would like to know from the Minister what the policy is of the Board with respect to granting compensation to victims of heart attacks, particularly where those heart attacks do not occur in the workplace, but occur subsequently.

HON. J. COWAN: The Board has just developed new criteria in that regard and I'll have to get the details of the criteria for you, but they have a policy in place in respect to cardiovascular claims which they are applying to all new claims that come before the Board as a result of a cardiovascular disease or attack which has been suggested is related to work.

MR. G. MERCIER: Mr. Chairman, it's difficult to discuss it further without any further amplification. Could the Minister indicate if any estimate has been given of the financial effects of that decision, in that new policy - the financial implications over the long term.

HON. J. COWAN: There have been some, I think, broad overviews in respect to different costs of different policies, but certainly nothing definitive that could be used. As an example, what you have to realize is that it is somewhat new territory and, therefore, they are going to have to take into account the cost of that policy over a period of time. They've tried to do some projections, but certainly they are not accurate enough to be used in a formal way.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, I haven't been present during the course of the Estimates all that much in this committee, but I do want to take this occasion to express a concern that I have from this Minister as I listened to him making various announcements and pronouncements in this House about the new direction that the Workers Compensation Board is taking.

Mr. Chairman, it's been some time since I was payroll master for a firm of several hundred employees but I well recall the job that I had, among other things to make, of course, the necessary deductions or assessments to the Workers Compensation Board for the total payroll. The point that I'm trying to make, Mr. Chairman, is that if you listen to this Minister just recently in this House, one gets the distinct impression that the benefits paid under Workers Compensation flow (a) from him or this government or (b) certainly kind of in a mixed-up way from employees' or employers' contribution and, of course, neither of those two are correct. In this particular instance unlike, for instance, such programs as the Unemployment Insurance program where there is a joint contribution by employee and employer and in various other programs, but in this particular program and correctly so and has been of long standing, a total 100 percent contribution assessment on the part of the employers. It's based on experience that has been gained over the years with respect to probabilities of accidents within specific industries. It's not a flat rate; it's a pro-rated

charge. But one doesn't read from anything this Minister has stood up and told us about the Workers Compensation Board, that the employer contributes anything to the workings of the Workers Compensation Board.

One gets the impression that this is an extension of the extended welfare state that is being broadened, its terms, its generosity, the rules are being changed because this Minister and this government wants to change them. My job is simply, Mr. Chairman, to remind the Honourable Minister that somebody else, of course, is paying for it and in the final analysis we all pay for it because it makes the cost of employing people and doing business in this province just that much more onerous.

This is a government that has already put the cost of employing people and keeping industries competitive in Manitoba more difficult than with other jurisdictions. This is the government, Mr. Chairman, that already said, hey, before you can employ anybody we want 1.5 percent payroll tax from that employer. This is the government that is prepared to throw all kinds of additional regulations in the face of any prospective employer before he can hire any employees.

I'm just suggesting that it may be fine for him to discard all the practices of the previous Board, discard the medical advice - my understanding is, if not required by The Act, but certainly under the understanding of the Workers Compensation Board Act and how it functions that due and proper medical evidence has to be presented for claims to be honoured. If this Minister is now telling me that the Workers Compensation Board has acted in an irresponsible manner in the past; that claims were being denied for no good reason; and that is all going to change under the new Board and under the new direction this Minister is giving that Board, well, Mr. Chairman, that's fine, I suspect that will win him some brownie points.

Mr. Chairman, I suggest that it's hardly in keeping with the responsibility that he has accepted, as being Minister responsible for the Workers Compensation Board, in seeing to it that there is an appropriate balance maintained on that Board, a balance that has been radically altered. As my colleague, the Member for St. Norbert, has said traditionally, it's for that very reason why there was always a neutral, if you want to call it, or a person that couldn't be readily identified with management or with labour, that a senior civil servant, by and large, chaired this Board. Then the other members appropriately selected to balance off both the labour aspects and the management aspects.

Mr. Chairman, let me put it on the record that is an imminently fair way of approaching the appointments to that Board; particularly, when you have management being the sole supporters of that Board, management paying the 100 percent bill of that Board.

Mr. Chairman, I simply rise because, just listening to him a few days ago in this House, in response to some questions of the Member for St. Norbert, reading the changes that were being implemented in the Board from the day this government took office; firing of the old Board; firing of senior civil servants; firing of people that I certainly had a lot of respect for. I can tell the Honourable Minister that one Mr. Hiebert, it was no difficulty in having him driving 30, 40, 50 miles out to the country to help resolve a Workers Compensation

Board that I had with one of my constituents in St. Laurent. I could hardly say that was not responsive to a worker's legitimate need. The claim was dealt with; the claim was resolved; the worker got his due compensation. That is not an isolated case, Mr. Chairman; that's a situation that those of us who have been in opposition for a number of years, and government, and were treated, whether in government or in opposition, with respect to the services that we got from some of these same senior people that this Minister and this Board saw fit to fire. Mr. Chairman, if you just close your mind for a little bit and go over the pronouncements that have been made, the press releases that were made, one would really think that the Workers Compensation Board has become an extension of the welfare system of Manitoba which is, of course, totally erroneous.

One would get the impression that this was an extension of the compassion that this Minister, this government, has for the workers involved. What is being lost sight of and what hasn't been mentioned at all is that the benefits that we're talking about are being paid for 100 percent by an assessment of Manitoba employers, and that that assessment will rise demonstrably and dramatically, indeed, if we allow fundamental changes to be made with respect to how compensation is paid. If we deter from the fundamental policy of, when does a worker qualify for compensation when he is injured as a result of work he is doing while gainfully employed by an employer? I get very worried, Mr. Chairman, when, through the support of Dick Martin and the Manitoba Federation of Labour, we set up an occupational clinic and that the head of that clinic says that, because people are piling up dead from drinking Winnipeg water, I get a little concerned about whether or not all future medical claims, on which compensation will be paid, will be processed through that clinic, Mr. Chairman.

I think, Mr. Chairman, one Dr. Linda Murray leaves an awful lot of credibility on the line when she makes that kind of statement to the press that suggests that Winnipeg water is of such poisonous nature that people will be piling up dead in front of the doorsteps. I'm just shocked that kind of a statement has been left on the record that easily. The Minister obviously wasn't that concerned about it because he offered me a glass of water that same afternoon, and when I said, you first, he drank it first. No, Mr. Chairman, I'm deadly serious about this.

This is a medical doctor that is making those kind of statements that has been set up to pass on the medical advice on which Workers Compensation Benefits will be paid. I am concerned about that kind of a statement that emanates from that source. I think, Mr. Chairman, employers in Manitoba ought to be concerned about future rises in their assessment, adding to the costs of employing people. That's in addition to the 1.5 percent payroll tax.

Mr. Chairman, if this Minister is prepared to allow the award decisions of this Board to be politically motivated, rather than medically motivated, then employers in this province can only look to increase costs in terms of their operations. It's a counter-productive move on the part of the government. Jobs is what we need in this province. Does this Minister have any idea what it costs to provide jobs. It costs

in excess of some \$6,000 in governmental taxes, meeting governmental regulations, to create one job in Manitoba. That's an awful lot; that's before wages. That's asking a lot from a small enterprise to produce in terms of profit to create a meaningful, worthwhile job.

This Minister's direction of the Workers Compensation Board leaves one the impression that is not of his concern. I have not heard from the Minister's words, the word "employer". I have not heard the Minister acknowledge that it's the employer that is paying for the compensation benefits, not once. Well, Mr. Chairman, I haven't been here all the time, so perhaps I am wrong, I will withdraw that. But while I was here and during other occasions when the Minister made references to the Workers Compensation Board, I have never heard the Minister acknowledge that it is the employers of Manitoba that pay the assessment, assessed by the Workers Compensation Board, that put together the fund that makes this longstanding worthwhile support program viable.

Mr. Chairman, unless the Minister takes some acknowledgement out of this fact, then in the course of several years, all of a sudden we will find that when new businesses come to Manitoba and they do their assessment about the business climate in Manitoba, the general level of taxation, the general cost of doing business in the province; this just becomes one more cog in the machinery that makes the decision negative.

I am not suggesting the decision or in itself is a big decision, but all in all, when they take the levels of taxation, when they take the Payroll Tax into consideration, when they take the fact that for the same Ministry doing business in Manitoba as it does in Ontario - Workers Compensation assessment is considerably higher - it all figures in to whether or not a business makes a decision to come to Manitoba and to provide jobs in Manitoba.

Mr. Chairman, I haven't heard that kind of consideration from this Minister. I have heard a lot of politics from this Minister with respect to the Workers Compensation Board.

MR. CHAIRMAN: 6.(a) - the Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I would like to make a few remarks about how the Minister has exercised his responsibility for the Workers Compensation Board, and I want to preface my remarks as I did last August by indicating that we in this party are prepared to support any improvements that can be made to provide due and proper adequate compensation for workers. That's why we appointed Mr. Justice Nitikman while we were in office to enquire into the allegations that were made against the Workers Compensation Board.

But since this Minister has taken responsibility for the Workers Compensation Board, Mr. Chairman, there are a number of matters which raise I think reasonable concern.

The first was when he arbitrarily fired the members of the Workers Compensation Board, with a Chairman, a long tradition in this province of having a Chairman who is a career civil servant, and with having equal representation from both labour and management. That tradition has been changed and it could very well, Mr.

Chairman, in the hands of another government - and I hope this is never the case - but could work very much against the interest of workers.

Mr. Chairman, those members were arbitrarily appointed by the Minister and then one of their first actions was to arbitrarily fire two longstanding career civil servants with the Workers Compensation Board, Mr. Hiebert and Mr. Cross. I asked last August what would be the cost to the board and not just to the board, but as my colleague has just pointed out, the cost to all employers in the Province of Manitoba. The cost to those two individuals is some \$123,000.00. We don't know yet what the cost to the board and to the employers across the province is with respect to the third gentleman that is being referred to, whose claim for severance pay and wrongful damages has not yet been settled.

Mr. Chairman, when we speak of the cost to employers, what we are concerned with, and the Minister should be concerned with, and this NDP Government should be concerned with is, it's not a magic fund that employers come up with. Any increase in cost to employers affects employees. It affects the number of jobs available. It affects the rate of remuneration available, it affects the cost of doing business which affects the whole area of employment in Manitoba. So, when we talk about the costs to employers, Mr. Chairman, it is the effect on employees and workers throughout the province.

So we have, Mr. Chairman, all of those additional, unnecessary and unreasonable expenses that have been caused to the people of Manitoba through the actions of this board, and there are expected to be, further firing. — (Interjection) — The Minister says he supports the board in their actions and he gives no assurance that there will not be any further firings, Mr. Chairman. I have reasonable cause to believe that there will be unfortunately, Mr. Chairman, of people who have served this province long and well in this particular area, but are going to be arbitrarily and unjustly fired by the Workers Compensation Board that this Minister has appointed.

Mr. Chairman, the board has one of their early actions, not immediately, but rehired Mr. Ken Carroll as an employee of this board, a man who acted, and the Minister knows this, and the present board know this, because they have the material, Mr. Chairman, as I do, that indicates Mr. Carroll acted completely without authority, without consultation, with management at the Workers Compensation Board when he appeared with Mr. Martin and made his allegations against the board prior to the election in 1981. I have reason to believe, Mr. Chairman, that it is through the pressure of leaders of organized labour in Manitoba that Mr. Carroll was hired by the board and that some of these firings have taken place.

Mr. Chairman, we see a board that - and the Minister confirmed this, in their first six months in office in 1982 - are largely responsible for a 29 percent increase in administration expenses. Mr. Chairman, I will look at Hansard, but I am certain he said, that the bulk of the increase in administrative - you were talking about claims - he's confirming what I said that the bulk of the 29 percent increase in the administrative expenses has taken place under this new board. We have the figures with respect to their expenses.

They're now budgeted in 1983 for \$184,000 compared to \$101,000 in 1981. They have three full-time board members with large salaries which, Mr. Chairman, the Minister has confirmed, with cars; a station wagon, a buick, Mr. Chairman, \$15,000 in rental for one year. They now have separate offices when only the Chairman previously had an office. They have had their offices painted, carpeted and redecorated, Mr. Chairman.

Mr. Chairman, we have a board that approves an expenditure of \$1,000 to buy a membership in the Squash Club for employees. Mr. Chairman, it is not a great deal of money, but it's indicative of what may very well be a lack of concern, Mr. Chairman, for the people from whom those monies are being raised. How many of these employers belong to squash clubs, Mr. Chairman, with the record increase in bankruptcies that has taken place under this particular government and the 54,000 unemployed persons in Manitoba, an increase of over 30,000 since this government has taken office. How many of those people have got a membership in a squash or racquetball club, Mr. Chairman?

Mr. Chairman, we have the first increase in assessments ranging from some 9.5 percent to over 20 percent. I remind the Minister that in August of 1982, Mr. Martin of the Federation of Labour said that the assessments must be too high; the surplus of the Board is too huge. We felt we should reduce the assessments. Mr. Chairman, now we have nearly a 30 percent increase in the amount of compensation paid out and we have reason to believe, as in one particular case that I cited, that this Board that the Minister has approved, is approving claims where there is absolutely no medical evidence to justify an award of compensation.

One has to wonder, with the way this whole issue is being handled since just prior to the election of 1981, how much influence is being wielded with this Board by Mr. Martin and the Federation of Labour. It is very disconcerting to see what is happening under this Board and under this Minister. This Minister is prepared to let the Board do everything. I wonder if the Minister has ever heard of ministerial responsibility, because that whole concept, that whole principal of government seems to be lacking in the statements and the actions of the Minister, because he takes a position he is supportive of the actions of the Board; he doesn't know what they're doing but whatever they're doing must be right.

Mr. Chairman, I tend to suspect that he knows what is happening; he just doesn't want to be associated with it. He's trying to stay away from it and let the Board do all of the dirty work. But the Minister is not exercising the kind of ministerial responsibility that should be exercised by a Minister responsible for this Board and acting in the public interest, Mr. Chairman. So for all of these reasons, we have very serious concerns with the manner in which his responsibility is being exercised.

As I indicated at the beginning, and I repeat it, Mr. Chairman, for the record, we are prepared to support due, adequate and proper compensation for injured workers. In talking about Worker Advisors this afternoon, I indicated to the Minister my position. I think we're in agreement on this position with respect to medical information. It would be a great improvement

in the system and I think it's unjustifiable that all of the medical information is not made available to workers. But on the manner in which this Board is operating, in terms of firings, in terms of loose expenditures, in terms of the manner in which we suspect some claims have been handled and of political influence by certain people in the operation of this Board, Mr. Chairman, we are very concerned with the way in which this is being handled.

HON. J. COWAN: I appreciate the remarks of the members opposite who have spoken on this issue and I believe they have put on the record, very clearly, some of their concerns. Those concerns will be addressed; those concerns will be considered; those concerns will be a part of our activity in respect to bringing about more reform which is necessary to a system that has for far too long been without reform.

I listened to the closing remarks of the member opposite, or perhaps they weren't the closing remarks after this speech. I listened to the remarks of the member opposite and I didn't hear him, in one time, in any significant way, address the injured worker. I listened to the remarks of other members opposite. What did they say? They said, the employer is paying for this fund. They inadvertently, mistakenly so, said that I had never indicated that was the case, without full knowledge of the proceedings that had gone on here previously and were corrected by their colleague and were fortunately able to correct the record before it had to be done for them.

But we have addressed the issue of assessments and the impact of assessments on workers; we have done that. If you had been here earlier, you would have heard me read out the difference in assessments between the different jurisdictions and the difference is significant; in other jurisdictions, in some instances, the average assessment on revenue per \$100 payroll is double what it is here in this province. I'm only talking about the Western provinces. And in all instances it's higher than what it is here and there hasn't been an increase even although all sorts of other increases have taken effect in costs to the Board since the mid-1970s, in a general way.

There were problems with the Workers Compensation Board when we took office. There were serious problems with the Workers Compensation Board. There had been the Lampe Report, but there had been very little action following the Lampe Report in respect to the recommendations. We're now getting around to addressing some of those recommendations in a comprehensive way. There was the enquiry which the member referenced. That wasn't there because nobody thought anything was wrong with the Board. It was there because there were very serious concerns about the operation of the Board and action was necessary. We took action; we took action to provide for the viability of that fund and to provide a way by which that fund could better serve the injured worker in this province. I believe what we have done will ensure that that will take place. That's the responsibility of that Board, to serve the injured worker in this province.

There may have been mistakes made along the way and there may be more mistakes made as we do more things, because I don't know of any government or any

Minister that has been able to accomplish major reform without making some mistakes during the course of that reform. When we make the mistakes we want to take a look at them and go back and correct them if possible. The fact is, we want to do it making the least number of mistakes, but we're not going to be afraid to take comprehensive, concise and concrete action to provide a better service to the workers of this province by way of the better operation of this Workers Compensation Fund for fear of making mistakes, so we will make more reforms.

Let me go through the reforms we've made to date. We've opened the Board up. One of the reasons we've been able to have this debate we have today is because minutes are now available to any individual who wants them, so that they can review the criteria which the Board is using to make decisions. That never happened before; you didn't know what the criteria for a decision was. The Board had a black book that they used that included all of the policy directives and you couldn't get access to that black book. The Lampe Commission appointed by this government had extreme difficulty and I'm not certain that they ever did get access to that black book, and that black book provided for every policy which the Board used, every criterion which the Board used in respect to settling claims and their other activities.

We now have the minutes being distributed to anybody who requests them, that provide the criteria. We've opened it up. We have staff here for the first time, to my knowledge, and I think to the knowledge of any individual in this Chamber, in respect to the discussion of the Estimates so we can have a more thorough debate. We talked earlier about having the Workers Compensation Board report to a Standing Committee of the House and we're going to review that in a very serious way to try to make it happen, to open the process up.

We have a Rehabilitation Committee, Section 100, with representation from all sectors of society, that we are asking to review rehabilitation practices, provide a report which will be made public and discussed in a public way and we'll be coming forward with more reforms in respect to rehabilitation in the future. We do that because it's necessary.

We've also provided for that board to do, as every other board has done, and I take the same stand that every other Minister has taken in this regard, and that is, to conduct their operations in a way in which they see fit as long as they are conducted by way of good decisions and by way of following the laws of the land. Every Minister has taken that stand in respect to hirings and firings; I take that stand in respect to hirings and firings. Every Minister has said that individual claims are a matter for the board to decide; I have taken that stand that individual claims are a matter for the board to decide and please don't try to muddy up the record by saying that I'm doing otherwise, because that's all I said to you. I don't want to discuss individual claims in here, unless you have authorization for those individual claims to be discussed and that authorization comes under the signature of the claimant, and that they know exactly what they're getting into when they get discussed in this arena.

I think that's fair to the individual claimant, and to do otherwise would not to be assume my Ministerial

responsibility, so don't read to me what my responsibility is in that area; it is no different than any other Minister; it is being exercised no differently than any other Minister; and, as a matter of fact, I think we are doing more as a government, and I take no credit as an individual Minister for this, but as a member of a government for the provision of a service to injured workers in this province which is extremely necessary and long overdue.

The members opposite say they will support any positive changes we make and they reserve right to judge from the basis of their own perspective as to what is positive and what is not positive. I accept that, that's the role of an opposition and I appreciate the support when they believe it is warranted. They say medical access, access to medical files, we'll support you on that. Well, why didn't they do anything in the four years of government that they had an opportunity to do so. In 1980 Quebec made the decision, by way of a court decision, that the files would be open to workers; in 1981 B.C. courts made the same decision. There, if you go back in the files and review the representations that were made to your government every year, you will most likely find that there is a recommendation that those files be opened for one party or another and nothing was ever done, and now they stand up and say they support us.

Sure they support us, it's the right thing to do, but it was a right thing for them to do as well. They had a Lampe Commission and they had a whole list of recommendations on the Lampe Commission. You know what happened, there was a toll free number instituted; there was new letterhead for the board; there were a number of other minor changes of that nature and then the report was shelved. Nothing happened from then on in. We're doing something because something has to be done, we're doing something because the system hasn't provided the service to workers in the past. Now, I've addressed my remarks in the context of the term of the members opposite when they were in government, and it's unfair to do that because it goes beyond when they were in government. The system has been out of whack for a long, long time. It's the injured worker that's been suffering as a result of that.

Employers bear the cost of the program in money, if you take money from your pocket or money from your payroll and you put it into the fund, it's a certain sacrifice on their part. The worker has a broken bones, the scarred lungs, the bad backs, the neuroses, the heart attacks, the cancers, the other occupational illnesses, the cuts, the lost limbs, they've been paying for that fund in an awful long time and perhaps a more dramatic and certainly a more personal way than the employers.

I just want to see them get full service, nothing can bring back the bone or the limb or the life. I want to see them get full service for the fund, I want to see them be able to be rehabilitated when it's possible to rehabilitate them; that has not been the case in the past. The fund hasn't been providing that service to them, so are the employers getting good value for the money they put in? If all that money is used for is to provide - to use your terms and certainly not mine - a form of welfare for the worker. What have we said to you, we don't like that; we said, we want to see that fund be used more efficiently; we said, we want to see

rehabilitation be a major priority of the Workers Compensation Board and the system. We want to see workers be productive members of society, again, after an injury if that is at all possible. That's what you want to see as well; I don't think there's a person in this room that would not want to see that happen. But the fact is rehabilitation has not been providing that service to the injured worker as part of the Workers Compensation system in a meaningful way in the past, that's the fact and I don't think you can argue against it and it's not your fault. It's not your fault, let me make that very clear. It's been that way a long, long time.

Let me tell you something the system's going to work for that worker in the future because we're going to take the time and the effort that is necessary and do it with courage, to make certain that the rehabilitation process and policies of the Workers Compensation Board work for the worker. We're going to make certain that that worker has access to the medical files; we're going to make certain that that worker has advice provided to him or her when that advice is necessary; we're going to make certain that the policies of the board are such that they're developed in an open way and they're discussed in any open way and they're made known to the public, which has never been the case in the past, so that we can find out where we're making mistakes so we can find out where there are problems, so we can correct those problems. All that is going to be done and it's going to be done under this government. It's going to take us a number of years to do it, we don't have any quick fixes, we don't have any fast answers, but we do know that over the next number of years we have to make reforms to that system to enable that system to serve the worker better, and that's what we're going to do.

I appreciate the fact that you point out to me when you believe I've made a mistake or my government has made a mistake or the board has made a mistake. I think I've indicated very clearly that I take your criticism seriously and I will use it to provide for a better system, to provide for a more responsive system and one which is doing things properly, and I think we've shown that we're prepared to look back on decisions which were made and to try to correct them where we think they're wrong.

I make no apologies for what has happened to the board; I make no apologies for the board itself because I think they're doing an excellent job. I know that we've done that which we felt necessary to do and could be accomplished in short order. I know that we have a long road to travel. I know that if, in fact, we stand in similar circumstances, one, two, three, four, five, ten years from now we'll talk about what's wrong with the system, what's right with the system because it will never be a perfect system, but I hope each year that we're here we're able to talk more and more about what is right with the system, and give less and less time and attention to what's wrong with the system, only because there is more right and there is less wrong. That's the goal and objective to which we aspire right now.

So I accept your criticism and I also accept your support where you feel we're doing the right thing, and I look forward to the next time, whether it be five minutes from now or years from now, when we discuss this matter in this way. I hope to be able to convince you,

not that the general approach which we take is one which you would take under similar circumstances, but that we do have the best interests of the workers of this province in mind, always do, and that we're working to make certain that their best interests are served by the system.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman. The Minister in his remarks referred to the presence of two members of staff at the table for the Estimates process. I wonder if he has introduced them before, or if not, if he would care to tell us who they are?

HON. J. COWAN: Yes. I'm sorry I hadn't before; Craig Cormack is with the Workers Compensation Board Rehabilitation Department is presenting working with my office as a liaison person while we develop new policies and programming. Mr. Ken Kurbis is the Chief Executive Officer.

MR. CHAIRMAN: 6.(a)—pass; 6.(b)—pass;

Resolution No. 70. Resolve that there be granted to Her Majesty a sum not exceeding \$347,400 for Environment and Workplace Safety and Health, Worker Advisor Office, for the fiscal year ending the 31st Day of March, 1984—pass.

Item 7.(a), Expenditures Related to Capital Assets—pass; Item 1.(a), Minister's Salary.

The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman, just a couple of questions. I happened to not be here when this part came up. I had spoken to the Honourable Minister and I had given him some forewarning on it, but I still have to drive through that awful smell coming through the Canada Packers area. I don't think that you need your staff to be able to give me an answer on this.

The first question I'm going to ask the Honourable Minister is, with the amount of monies that the government has promised to make with these make-work projects, are they planning on any make-work projects to eliminate the smell coming from the area around the meat packing plants without the reduction of any jobs?

HON. J. COWAN: I wish we had the answer to that, Mr. Chairperson. What I can indicate is that while this situation is a long-standing one and a difficult one, it is one that is not going to be resolved by way of any work projects whether they be make-work, temporary, permanent or otherwise. What does have to be done is ways reviewed by which we can decrease the emissions in the area. Staff have been working on that with some encouragement and support from the Member for Radisson and yourself over the last number of years in regard to reviewing options that are available to us. They are limited, however.

I think what we have to do in the future is ensure that we avoid these sorts of land-use conflicts wherever possible, and we have plants that we know are going to produce odours of that nature, that in the future we locate them as much as possible away from residences,

and further to that, we make certain that residences are not able to grow around them as has been the case in the past. We will undertake that sort of review in the event of future facilities of this nature. I'm not certain that I can give you any further assurance, other than to say that we will continue to work on the existing problem and work with the companies to try to find a way to reduce odourous emissions and at the same time to ensure that we do so in a way that doesn't cause a loss of jobs in an inappropriate fashion.

MR. A. KOVNATS: Mr. Chairman, the Honourable Member mentioned "in the future" and I think the smell is now and the future is irrelevant at this point. I think that if people out there have to put up with this smell; I'm not against that but if there's anything that the Minister can just keep in mind, that there are so many dollars for make-work projects. I know the Honourable Member for Radisson is certainly interested in the same project, because it's in his constituency. I don't want to make it into a political football, but I'm sure that he is interested. He's not going to get up and ask any questions and try to embarrass the Minister, and I certainly am not going to try to embarrass the Minister, although if I could, I would, but at this point I'm not going to.

I don't think that the Minister can just pass it off and say, in the future we will look after it. If the Minister's got any more comments on this particular subject, I'll be happy to let him, but otherwise I'd like to move onto another subject.

The Chairman of this committee had brought in a resolution concerning hydrogen, a very good resolution as a matter of fact. I was very, very displeased that the Minister of Energy would allow a backbencher to bring in a resolution on energy, when I think it's the responsibility of the Minister of Energy rather than anybody else in this House. I think he's shirking his responsibility by allowing this to happen, but it did happen. I did support the resolution that the Member for River East had brought in. I did support that resolution because it's a good resolution even though I don't think that we should be involved with it at this point — (Interjection) — You don't agree?

Anyway, can the Honourable Minister advise whether we who are in support of the hydrogen used as an alternate energy source other than natural gas coming out of Alberta, where we're trying to be self-sufficient, can the Honourable Minister advise this group whether the Minister of Energy has asked him to give him a performance or any kind of an idea on whether the impact on the environment would be on the storing and the shipping of hydrogen when it does come into effect in the future? Has the Honourable Minister got any idea, has he been asked by the Honourable Minister of Energy and Mines, I think it is, whether there have been any plans made for the storing and the transportation of hydrogen power?

HON. J. COWAN: I've had discussions of a general nature with the Minister of Energy and Mines on this particular subject and have not had any formal transference of requests or analysis in a way in which the member suggested it might happen. I believe that information could be compiled fairly quickly once it is

necessary. There has been a considerable amount of research done on hydrogen use in the past, and it's been found to be an ideal fuel if it can be produced in significant enough amounts. As soon as we are able to determine or set up a process for doing that, then we could address the issues of how you store it in an environmentally sound way and how you ensure that it's used in an environmentally sound way. Other than general discussions of a long-standing nature, I can't indicate that we've had specific discussions on the items which you referenced.

Excuse me, I said I'd answer both questions in the same answer. I don't mean to, in regard to the odour problem that was mentioned earlier respecting the St. Boniface rendering industry, I don't mean to say that all we are going to do is look to the future. I'm saying that has to be an important part of our activities, and probably a more productive part of our activities. We will continue to review ways by which these emissions can be reduced. I thought I indicated that in my answer, as well, that it's a multi-faceted approach and you have to do both things to ensure that you are able to deal with existing problems and, at the same time, prevent future problems from arising.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman. It's very disturbing really to hear this type of information, not on the odour emissions, but on the hydrogen, inasmuch as - I guess I've been one of the strongest supporters of hydrogen power in this Chamber and it goes back a long ways before the Member for River East had proposed that resolution. The Honourable Minister of Energy commended me, particularly, on some of the remarks that I had made, but for us not to be planning for the future, you know, we've had some very casual discussions, isn't satisfactory. I think that the future of the Province of Manitoba is in the energy department and it is the hydrogen. I am an novice at it, I don't know that much about it, as I am stating at this point, but I think the Honourable Minister of Energy should be working harder at it when he goes down to the United States to sell them power; is he discussing the selling of hydrogen power for the future, because they say that maybe your five years behind. Should we be selling hydrogen power now at this point? We haven't even got an environment study as to how we're going to ship it down to them when we are able to sell it to them.

I was watching television just the other night and I see there is another form of energy that they're using down in North Dakota; that there's a big plant and I didn't pay that close attention to it, although I should have, but it's another form of energy that will replace natural gas. I think that if there is this type of thing that is going on in North Dakota now, are they going to try and sell their energy excesses to us because we're looking to sell our excesses to them. Hydrogen really is the thing of the future. If we're not selling it to them now, I think we've lost.

I think the Honourable Minister of Energy has blown a couple of the mega projects and I don't want to see it happen with the hydrogen. If he hasn't asked the Minister of Environment to check it out, I think we're

going to blow this one, too, and I don't want to see it happen. I don't want to be political about it, again; I repeat, I don't want to be political. I want to see the Province of Manitoba be self-sufficient. I want to see them make a lot of money; I want to see them get into a position of having excess energy to sell to the United States and to go down and negotiate with their heads up high and to be able to sell this energy. How can they sell this energy if we don't know how we're going to be able to ship it?

The Honourable Minister of Energy, he's going to change the rules after awhile and say that you can't ship hydrogen power because it's not safe. I know that we're taking surveys all the time on these particular subjects, but if we don't know where the hell we're going, what's going to happen. For the Honourable Minister of Environment to say that we've had some slight discussions, isn't satisfactory. If I have to go after the Minister of Energy - I'm not going after the Minister of Environment, that's not the reason for it. But I think it was incumbent of the Minister of Energy to ask the Minister of Environment, tell me how we're going to be able to ship this hydrogen after we've got it because this is going to be what's going to save the Province of Manitoba.

The Honourable Chairman of this committee is in complete agreement.

A MEMBER: Is he?

MR. A. KOVNATS: Oh, I am positive of it because he brought in the resolution, because we both know that this is the salvation of the Province of Manitoba; we all believe that this is the salvation of the Province of Manitoba. Will the Honourable Minister of Environment please advise or request the Honourable Minister of Energy to get off his - I don't think if I say to get off his ass is unparliamentary because it's not . . .

A MEMBER: Derriere.

MR. A. KOVNATS: Well, I couldn't think of the other word. Derriere, that's a good one. I can see they've got their heads together, wondering whether to yell, unparliamentary, unparliamentary, but whether it is or not, I think I can stand to be criticized and to be condemned for even making the remark if we get some action on whether hydrogen, through the environment can be checked out and be of something in the future.

Can the Honourable Minister relieve my mind on whether hydrogen will be able to be transported through the province. He has not said that to me yet.

HON. J. COWAN: I have a proposal for the member opposite. His idea is very sincere, as all members when they talk about hydrogen, the use of hydrogen for provision of power in the province. What I will do is I will consult with staff as to what environmental assessments would have to be undertaken in regard to the construction and implementation of a hydrogen production and delivery system in the province, in general terms, because you'd have to address that in general terms.

I will provide that information to the Minister of Energy and Mines and I don't accept any of the comments

which you have made respecting his support involvement or action in this area. I think he is as sincere as all of us in regard to making this proposal as much a reality as is possible. I know he is and that's why we have discussed it in the past, but there will be an opportunity to address that issue with him directly during his Estimates I would imagine and, therefore, it is not necessary for me to defend him. He is perfectly capable of doing that himself during his Estimates. I know that you will want to bring those comments directly to his attention at that time.

I just want the record to be clear, I don't accept all the criticism that you had of him in this regard. But I will have that document prepared by staff and I will also have a copy forwarded to yourself so that you can peruse it and provide any critique and analysis on it which you think would be appropriate. So, it will take a bit of time to put it together, I wouldn't think too long, but a couple of weeks most likely and I will have that material to the Minister of Energy and Mines which I think will be enough time for any consideration to be given to it. I will have it forwarded to the member opposite, as well.

MR. A. KOVNATS: A couple of weeks is certainly satisfactory when we're talking about a couple or three or four weeks or five weeks, that's really not that much of a concern. The concern was that he hadn't really gone to the Minister of Environment and said, we are looking to the future, please give me your ideas on how we're going to control it in the future. How are we going to transport these things? Is hydrogen going to be considered a hazardous material? Are we going to have a fellow like the ex-member for Radisson, Harry Shafrensky, who was involved with hazardous materials, is he going to be involved in saying, this is how you ship it because, if we get down to that point, I think we just close the doors on east and west and we close up the province because it's going to give us a real big problem.

Anyway, the only other thing is, and I am glad that the Honourable First Minister was here because I think that he has the same concerns as we all have as to whether this province is going to survive or not, and we certainly have a strong feeling, we know that it will survive regardless of the New Democratic Party who will only be in for another two years anyway, and will survive under the Progressive Conservative Party.

With just making those last few remarks, I am glad that I was able to get this from the Honourable Minister. I will tell you that if the Honourable Minister of Energy and Mines isn't made aware by the time that we go, I hope that we would have it in a very short order, because I would like to ask these questions of the Honourable Minister of Energy and Mines when Manitoba Hydro comes up at the end of the month, at the end May, which is only two weeks time. I think that I would like to bring up the same questions at that time. I'd like to give the Minister fair warning that I will be bringing up these questions because I don't think that we can just sit back any longer and just wait for these mega projects, or any of these other projects, just go down the drain as some of them have in the past. I'm not pointing a finger at anybody at this point, although I know that the Honourable Minister of Energy and Mines was very, very involved.

Anyway, thank you very much.

MR. CHAIRMAN: The Member for Tuxedo.

MR. G. FILMON: Thank you, Mr. Chairman. It's been a few days since we had an opportunity to go over the environmental section of the Minister's Estimates. I thought that I ought to before letting the matter go to rest, just summarize a few of the conclusions that I had to arrive at from the questions that were asked during the course of the consideration of the environmental section.

Of course, the first conclusion that has to be arrived at is that this Minister, despite his activist appearance — (Interjection) — despite his activist approach, in opposition, has become totally the opposite in government. He has become all talk and very little action. I thought of saying no action, but to be charitable, very little action.

With respect to all the major items that he pounded away at as the critic in opposition for the environment - lead removal. — (Interjection) — It's done, sure. The report was done under our administration. We immediately, upon receipt of the report, immediately commenced the removal of the lead from the school ground at the Weston School because there was the area of greatest concern. He came into office and saw the report, determined that the levels in soil were too high. What did he do? He went and asked people, do you want it to be removed. He didn't say we're going to do it; he said, will you allow us to remove it? So the City of Winnipeg didn't respond, so he left it there. So the boulevards have been left for over a year. There were 31 properties and he went around and he said to them, do you want it removed? 26 said, yes; 5 said, no; so he left it. He left it.

What do we have? We have a hazardous situation, as admitted by the Minister, hazardous to health and to children under five years of age, especially, where they play on the boulevards, and he leaves it over a dispute over who might pay for the \$7,000 it'll cost to remove it. All talk; very little action. That's what I say, Mr. Chairman.

Next, when we had the occasion to bury the order of the Clean Environment Commission with respect to the air emissions at Hudson Bay Mining and Smelting in Flin Flon, this Minister said, you ought to insist that they reduce their emissions by 50 percent, not ask them to give you a report to tell you how they will accomplish it within two years; that's not good enough. This Minister faced with precisely the same set of circumstances, with respect to Inco at Thompson; what does he do? Does he come forward and say to Inco you must reduce your emissions by 50 percent? No. He says, we want a report within two years that tells us how you will proceed to go about and reduce your emissions by 50 percent. Exactly the same response that we gave, under the same set of circumstances, at HBM&S in Flin Flon. All talk, very little action, Mr. Chairman.

Next, under mosquito control. This Minister, when he was in opposition, said that we were perpetrating a very, very great injustice upon the people of Manitoba by allowing aerial fogging with Baygon.

HON. J. COWAN: When did I say it?

MR. G. FILMON: He encouraged a doctor - I can't remember his name - from the University of Western Ontario to come in and make representations and to tell people that this was akin to the kind of material that they were using in Vietnam; that there was a grave danger to people's health; that people were, in fact, being assaulted with a deadly weapon, that deadly weapon being Baygon in the atmosphere. He said it has to stop and, given the power, we would stop it. So we have great hearings under the Clean Environment Commission; we have hearings with medical experts; with environmental experts; with scientific experts; with technical experts, all of whom came to the conclusion that there was no danger; that there was no known hazard to health; that the dosages used were less than dosages used anywhere else in North America, in most jurisdictions; and that, as far as they were concerned, now the answer was you had to get a permit, not that you couldn't do it, but you had to get a permit.

The Minister of Health has said that Baygon is acceptable under the dosages and the conditions under which it was used, but everything has changed. Now that the Minister has the power to stop it, he will not do it. Why? Because. Under most conditions they say power corrupts; in this case, power co-ops. This Minister has been co-opted by the various groups and people who he opposed, who said we're all wrong, whose judgment he didn't go along with. This Minister now has been co-opted by all those people and he now stands in support of all their judgments and all their decisions and he says, it's okay they can go ahead. They can go ahead and do it and the way they've been doing it in the past because obviously the weight of scientific evidence supports what they've been doing in the past.

Well, that's exactly what's happened. We had the situation of a chemical spill, the infamous McGregor spill. This Minister said we didn't know how to deal with it. He said that the Department of Environmental management did not have the expertise, that their recommendations were wrong and that there was grave and serious potential harm to the people if they went ahead with their recommendations on the cleanup. Those same people recommended to him time after time after time, because we've had more chemical spill in his one year of office than we had probably in our four years of office.

HON. J. COWAN: My fault?

MR. G. FILMON: No, it's not his fault but whose recommendations, whose advice is he seeking? The very people who he said gave inadequate and incorrect advice under the McGregor spill incident; the very people who he did not trust to give proper advice. He brought in a Dr. Jean Stelman.

HON. J. COWAN: I didn't bring in Dr. Spelman.

MR. G. FILMON: He says now that he wouldn't intend to bring in Dr. Stelman, under most circumstances, that he doesn't necessarily feel that we need her advice or her expertise, her recommendations; that we have it within the department.

Two years ago that wasn't the case. The Minister has gone completely about face. More so than that,

the Minister, not only is not making the decisions when he has the opportunities, but he's leaving people hanging out to dry, stalling, indecisive. When there is a difficult decision within his grasp he either gives it to a committee, or a commission, or a symposium, or something of that nature, or he doesn't deal with it; he leaves it on his desk — (Interjection) — I am talking about the Shell Oil Refinery in St. Boniface. This Minister was asked to consider an appeal by the Shell Oil people of a recommendation, a decision of the Clean Environment Commission with respect to their emissions.

He was asked to consider it because they were in difficult financial circumstances. They were prepared to go part way; they were prepared to ensure that the emissions were reduced 40 percent, whereas the Clean Environment Commission were saying 60 percent was necessary. He was asked to deal with it. Now what did he do? Their appeal came in some time in the summer, July or August; he sat on it, he did nothing, he did nothing, he did nothing. November, he had no more problem with emissions. They closed it down. They closed it down and he had no more problems; he eliminated all the emissions and all the jobs in one fell swoop - bang - this activist Minister. How did he do it? By sitting on it. Why? Because the Shell Oil people, of course, they have to look for some response, for some show of concern, for some show of interest in their operations, because elsewhere in this country they have people who are interested in their operations, who are interested in their concerns, and they go to their governments and they say, "Look, we have a problem. We can reduce our emissions by a certain . . . We can almost achieve what you want us to, but we can't just quite. We have a financial problem; it's an old refinery, we've just spent \$12 million on it, give us some time, give us an answer." But he gave them no answer. So what did they do? They pulled up stakes and they left the province. There we have it, because no answer from this Minister, no answer from this Minister.

We have the condition of Shoal Lake. When this Minister was in opposition, he screamed about the protection of Shoal Lake, we cannot allow any degradation to the water quality of Shoal Lake because 600,000 people in this city depend upon it for their water supply. Now this Minister says, finally, on the record, yes, the bottom line is we will protect it, but for months and months and months he wouldn't say a word about it. He said, we want to play a role of mediation. We want to play a role of bringing the parties together. He said, we want to play a role of trying to achieve some consensus, so much so that the City of Winnipeg, knowing that they couldn't rely on this Minister, that they couldn't fall back on his assurance because he had given them no assurance, they spent \$28,000 sending out a folder to all the residents of the City of Winnipeg alerting them to the concern for the potential destruction of their water supply in the City of Winnipeg. That's what they did and they got a tremendous, overwhelming response. They got 50,000 responses from people saying, we want our water supply protected. So now this Minister finally says, the bottom line is, that if all else fails, yes, I'll step in and protect the water supply. — (Interjection) — He did not say it six months ago; there is no evidence on the record. This Minister put on volumes and volumes and volumes

of words in response to my questions but not once did he say the bottom line is, we'll protect that water supply and that is his responsibility as the Minister of the Environment.

Now what else do we have? We have the hazardous waste problem in this province and this hazardous waste problem was at the point, a year and a half ago, of establishing a committee to select a site, to select the appropriate method and system of collection, disposal, treatment and it was all ready and waiting for this Minister, this activist Minister, to get in there and do something about it. A year and a half later we've had symposia, we've had committees struck, we've had stalling and delaying and talk and we still aren't at a point of going around this province to select a site, to select an appropriate system for collection, disposal and treatment of the hazardous wastes of this province. That's where we're at. A year and a half later, we aren't even at the point that we were in November of 1981. Why? Because we've got an activist Minister now. Isn't that wonderful?

Mr. Chairman, as I said before, this is an activist Minister who has become totally inhibited by the exercise of power; power under his control, in his jurisdiction, to do all the things that he wanted to do when he was the critic in opposition, today he's become emasculated. That assertive, aggressive individual in opposition, has become emasculated by power. He's totally incapable of any positive action on behalf of the protection of the environment of this province, and I say, Mr. Chairman, that it's a tragedy.

However, there will soon be an end to it because before long, this government will be out of office, this Minister will be out and what he would refer to as perhaps an inactivist Minister, will be in place who will do something, because that will be a Minister of a Progressive Conservative Government who will get things done.

HON. J. COWAN: Now I know why I enjoyed opposition so much. The member has brought back very pleasant memories of days gone by. But let me address the issues, because I believe what he has put on the record is not entirely accurate in all senses, although I certainly accept the fact that he believes it to be accurate. I think his illogic is betraying him. I think that he has tried, in every instance, to show that we have done nothing, yet in fact, all he has been able to prove is that we have taken action in regard to many problems which were on the table when we assumed office.

He talked about lead. He suggests that lead just became a problem in the latter part of his term, they just understood that it was a problem in the latter part of their term so they got to work real quick and they got the reports together and they laid it on the desk and they really didn't have time to do anything. They went in and swept the lead off the grounds at Weston School and that was a good action on their part, but it was certainly a very minor part of what needed to be done and it took us to come into government to get the residences cleaned in the first instance, and this year we'll have the boulevards cleaned. Let me just guess, because it's nothing more than that, but if you were still in government, my guess would be that it would still be undone. That's a guess; it's a guess.

He tells me I'm wrong, but I would bet, given the fact that they had four years to do it and didn't remove any soil and sod that was contaminated, that they would have another four years to do it and very little would have happened as well.

Only we can conjecture at this point whether or not that would have been the case, but I can lay on the record just as clearly as he can lay on the record, my perceptions - which might in fact be misconceptions, as his certainly are - that they would not have done anything because they did do nothing in four years.

Then he talks about HBM&S and I had the same response as he had in regard to the Clean Environment Commission orders. Well, you know what this member needs. This member needs a personalized, bound copy of the Hansards, with an index, that enables him easy access to these matters because if he goes back and reads them, he will find that what we said was that he had turned over a decision by the Clean Environment Commission and he had done so without going back to the commission for advice and opinion. That's what we took exception to, and he shakes his head, no, which only indicates to me the more that he needs a bound copy of Hansards to refresh his memory.

He said we had exactly the same response. That's certainly not the fact and I would like to be able to talk in one year's time in respect to what's being done with the acid rain and sulphur dioxide emissions in this province. And why do I need a year? Because nothing was done before, because we came into office with an empty drawer, came into office with no preparation; it's like starting from scratch. He says they had the Hazardous Materials Program all worked out. We had a chart with lines drawn on it here, lines drawn on it there, and it looked good and he presented it in a press conference. There's a little more substance than that, there was a little more than that and we're starting from ground zero in some of these areas and you have set the tone for our actions by lack of preparation when you had the opportunity to be prepared.

There's a member of the press here who's watching, who wrote an article recently about my response on asbestos as compared to my response now. Well, perhaps I should get two bound sets of Hansards, because what I said on asbestos when I was in opposition was, don't you think you ought to be checking with some other people to see if, in fact, there is a problem, that's what I said. Well, read the Hansard.

A MEMBER: You read it.

HON. J. COWAN: I did read the Hansard, my friend. I can read and perhaps that's an advantage I have over you but I used it and I'm sorry if it's unfair, but I did read the Hansard and what the Hansard very clearly indicated was that, in fact, at that time I had said will you ask someone else for their opinion on this subject. That's all I said, and that's exactly what we're doing now. We're working with other jurisdictions to review it; we're awaiting the report which is coming forward in a comprehensive way from the National Academy of Sciences.

What I'm saying now is that I can't give you categorical assurances that it's not hazardous. Can the member opposite, from Tuxedo, give us categorical assurances

that — (Interjection) — There are concerns that, in fact, not all the information that should be available to make that decision, is available. There are studies that have to be reviewed that indicate there is a concern about potential hazards. There has been nothing that said there is a hazard, and I don't want to be alarmist nor do I want to say to members opposite that I can give them the type of categorical assurance which they wouldn't give at that time and which they won't give now but they seem to demand of us. That's what I said and that's what I'm saying now. So there's a need for some more bound copies of Hansard.

In respect to the chemical spill at MacGregor, he indicated that I brought in Dr. Stelman. That's untrue. Dr. Stelman was in the province speaking at another engagement — (Interjection) — well, certainly, when she indicated to me her concerns, I brought her in and I arranged for a meeting with the then Minister of the Environment. I thought that was the appropriate thing to do and he says to me that we haven't had any decisive action.

Well, what about Simplot? And yet I hear concerns from members opposite that we may cost jobs in this regard and tread carefully but there's been action there and it was action that wasn't there before. How did his government deal with the request from Simplot for exemptions for power engineers? The record's very clear on that. So there is a difference in the way in which we respond to requests. I think we do it in a proper fashion. He seems to deride consultation at this stage. Well, I think we have benefited largely by our consultative approach. I think we have been able to do things that we would not have been able to do otherwise by our consultative approach.

I will continue that approach because I think it works. In the long run it saves time, while in the short run it may appear that it takes up more time to find the right answers. If you find the right answers in the first instance, instead of going blindly about tilting at windmills, I think in the end you are able to bring forward comprehensive and positive action that will save you time.

So he talks about all these things and he puts them on the record and that's his job and I think that he was sincere in doing so and I think that he was concerned in making those comments known to us and he indicated that concern and perhaps there are times when I could act quicker. Perhaps there are times when I've acted too hastily in the past but, I think, all in all, over the past year and a half we have been able to accomplish things that they were unable to accomplish in four years and I think the record very clearly indicates that.

We've just been talking about Workers Compensation a while ago. Look at the reforms. Now they don't agree with all of them and that's their right, as a matter of fact, I think that's their responsibility. The fact is we brought about significant reforms in that area. We are bringing about significant reforms in Workplace Safety and Health; we will be talking about more reforms in the area of environment. I think we are a reformist government in a lot of ways and I consider myself to be a reformist Minister. That means working with people to bring about necessary reforms in a consistent and timely manner.

I make no apologies for the fact that I seek input; I make no apologies for the fact that I accept criticism

and give criticism where I think it's warranted; I make no apologies for the fact that we have been able to accomplish more in the past year and a half to two years than they were able to accomplish on many similar issues in four years of government. I can tell you without fear of contradiction, in the most categorical way possible, that when you measure our four years of government versus their four years of government, you will see on our side of the ledger a government that was able to make great strides because they knew where they were going and they asked people to walk with them to get there. That is what we are doing. That is what we will continue to do and that is how we are going to bring progress to this province.

MR. CHAIRMAN: The Member for Niakwa.

MR. A. KOVNATS: Thank you, Mr. Chairman, just a couple of more very light questions. I was just thinking about this afternoon when we were discussing the Workers Compensation Board and the elimination of some of the positions of people who had been there for long periods of time. The Honourable Minister had made a remark that — (Interjection) —

MR. CHAIRMAN: Order please.

MR. A. KOVNATS: Let me ask the questions at this point - you can answer right after me.

The Honourable Minister had made the remarks concerning the elimination of some of the positions of the Workers Compensation Board after some of these people had been with the Workers Compensation Board for many years, I think as many as 20 years — (Interjection) — well, whatever it was, and they've been eliminated and the Honourable Minister had made a remark that the elimination of these jobs was done with compassion. I think that's the exact words, done with compassion. I would hope that the Honourable Minister would be able, after I sit down, to get up and tell me how you fire a man with responsibilities and family and who has been with a job for 20 years, at least, how do you fire a man with compassion?

I have a couple of more questions and I think I'll throw them all at him at the same time. Concerning hazardous waste, is the Honourable Minister aware that they are doing some test drilling at Pinawa, Manitoba, at this point, into the rock strata to decide on whether there will be hazardous waste - and I'm not sure of the reason for this drilling, I'm not sure of the reason maybe the Minister will be able to tell me but they are doing some drilling in the Pinawa area right at this point and I know the Honourable Minister made a big fuss when we were in government when there was some water spilled in the ditches around Pinawa. But now they are drilling into the rock underground, and whether this is for storage of hazardous waste or not, I don't know, but the Honourable Minister is going to be able to tell me.

Also, the problem of water supply from the Shoal Lake area - is the Honourable Minister going to advise us that to eliminate the problem is just to get rid of the big chunks, is that going to eliminate the problem, is that going to correct the problem? With those questions I would turn it over to the Honourable Minister.

HON. J. COWAN: I'm afraid to start with the last one first. The studies which have been completed recently in regard to sewage and garbage disposal at Shoal Lake Indian Band No. 40 were done by the Federal Government, in response to, I believe, initiatives on the part of the province and the band and the city in regard to trying to find an acceptable solution to that longstanding problem; one that did not just crop up in the last year-and-a-half, but has been around for a long while. I will be meeting with Mayor Norrie and my colleague, the Minister of Urban Affairs, I believe it's some time this week to discuss that report. We certainly want to work with them to discuss the various possible solutions which have been put forward as a part of that report, so we will be doing that. I've made a number of comments on that in the past; I think the record is very clear, from many months ago, as to our stand in respect to protection of the City of Winnipeg water supply from degradation as a result of activities in that area.

The drilling that is ongoing as part of the ACL activities in the Pinawa area is to develop a test laboratory, an underground research laboratory, for the testing of the suitability of rock structures of that sort and different technologies for the disposal of wastes which are radioactive. The lease very clearly indicates that it shall not be used for storage of nuclear waste and, in fact, no hazardous nuclear wastes should be utilized in the testing procedures. We have been working with ACL and a committee of concerned citizens from the area to develop monitoring programs in which the Committee of Concerned Citizens will be a participant, to ensure that all the provisions of that lease are being lived up to in an adequate fashion.

I hope that explains it. It's an underground laboratory; the lease does not provide for any storage, or even use of any hazardous nuclear wastes, in respect to the testing that's ongoing there. We have been given assurance that it won't be used for such purposes in the future.

In regard to how a firing is done with compassion. I guess perhaps I could have phrased it a bit differently. The firings were done in as compassionate a manner as is possible under the circumstances because there's always pain and suffering that comes from that sort of a loss, and it is a loss to an individual. So I think the way in which they were conducted, and the fact that they did so in as amiable a fashion as possible, and provided for the severance that they did, they did it with as much compassion as was possible under the circumstances. We're going to disagree on that, and I accept that disagreement as being basic to the different ways in which we would approach certain things. I do believe that the Board did not attempt to malign; did not attempt to hurt; did not attempt to impose undue financial hardship on these individuals in their activities.

MR. CHAIRMAN: The Member for Turtle Mountain.

MR. B. RANSOM: Thank you, Mr. Chairman. I suppose that this Minister probably characterizes the whole operation of this government, more than any other single Minister, and that is, that we get a lot of talk and a lot of concern about appearances, but not too

much substance. That's what we're getting from the government; that's what we got from the Minister of Natural Resources. You listen to these Ministers very long and pretty soon you're beginning to believe that up is down and left is right and round is square and black is white, but you don't really get any substance out of it. Especially having listened to this Minister when he was in opposition for four years the way we did, one would have expected to see some kind of direction. He says they've made great strides because they know where they're going. Well, Mr. Chairman, we talked about that last year in Estimates and they certainly didn't know where they were going.

What this Minister does is he's interested in grandstanding, or at least his actions show that he trivializes the process. It doesn't matter whether he's walking around the aisle when he speaks; whether he's sitting on the desk, or whether he's handling materials, not paying any attention to what's going on. The Minister maybe doesn't like what is being said; he doesn't have to pay attention; he doesn't have to answer, but it certainly doesn't do anything to create any kind of confidence in the system when it's treated in the off-hand fashion that it is by this Minister.

My colleague, The Member for Tuxedo, has mentioned the failings and the shortcomings in the area of the environment. I'd just like to review, once again, the failings in the area of the Northern Development Agreement which, when this Minister was in opposition, he had said was simply a matter of setting aside the differences between the province and Ottawa, signing an agreement, and he urged communities in the North to write to our government and to urge us to set aside our political differences with Ottawa and sign an agreement. If they were government they would have it done immediately. The Minister took almost a year to conclude an agreement, and the agreement which he finally concluded was one whereby he simply caved into the position that the Federal Government had before. What he got was cost-shared funding on Amendments 3 and 4 of the old agreement which were the things that the Federal Government was prepared to go along with before. He ended up so that the province was spending very little more, perhaps not as much as they had been spending earlier, on the Northern Development Agreement, that the Federal Government is supposedly within the agreement, but they're simply undertaking programming on their own of the kind that they wanted to undertake before.

Mr. Chairman, what happened was that the Minister simply wasn't able to deliver on the kinds of promises that he had been making to the people of Northern Manitoba, and to the people in the rest of Manitoba, as well. The Minister says that after four years they will have a great record. Well we've been watching now for a year-and-a-half, I guess, Mr. Chairman, and we haven't really seen that great record develop yet. Just because the Minister says it's developed, that they've made great strides because they know where they're going, that's not good enough. We'll have to watch for ourselves and make some adjustments. I said earlier, in the beginning of my remarks, Mr. Chairman, what this Minister seems to do is to characterize the whole action of the government by way of talk and appearances. It doesn't matter whether it's talk about the environment; or whether it's talk about development;

whether it's talk about compassion for the unemployed with 52,000 laid off; or whether it's talk about the greatest thrust in the Jobs Fund to the worst recession in 40 years. The only thing that we can be sure of is that it has been the worst recession in 40 years; but what we're getting from the government is largely tokenism and effort at public relations.

MR. CHAIRMAN: 1.(a)—pass.

Resolution No. 65; Resolve that there be granted to Her Majesty a sum not exceeding \$1,038,200 for Environment and Workplace Safety and Health, Executive Administration for the fiscal year ending the 31st Day of March, 1984—pass.

Committee rise.