

LEGISLATIVE ASSEMBLY OF MANITOBA
Wednesday, 23 July, 1980

Time — 8:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports By Standing And Special Committees . . . Ministerial Statements And Tabling Of Reports . . . Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: I would like to ask a question, Mr. Speaker, of the Minister for Economic Development with respect to the news report that Standard Aero Engines of Winnipeg may lose a multi-million dollar contract, somewhere in the order of 15 to 20 million possibly with respect to the CF-18 bid. I wonder if the Honourable Minister can advise the Legislature what are the chances of either Standard Aero Engine or indeed any other Manitoba company now in obtaining contract work or off-set work with respect to this particular fighter aircraft.

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON: It's unfortunate, Mr. Speaker, that the press does not print the whole story on that particular article that he is speaking of. Standard Aero Engine, Rolls-Royce and Noranda quoted on the final assembly and test of the 404 engine that goes in the F-18. The 404 engine is manufactured by General Electric. The cost of the final assembly and test of the engine in Canada will be about 20 million more. The Department of National Defence, Mr. Speaker, does not pay the costs of those extra amounts of money. The federal government Department of Industry and Commerce must decide if it's worth 20 million to have the technology moved to Canada.

In this particular case, Mr. Speaker, the technology will move to Canada anyway. When the companies are quoting on the overhaul and repair of that aircraft, that technology and that equipment will be in Canada and it will be paid for when the companies submit their bids. They will submit their bids on the basis of the equipment required to do so.

Mr. Speaker, I don't think it's the decision as yet of the federal government not to have the final assembly and test in Canada of the 404 engine. When I was in Ottawa with Mr. Gray, he said he would take a look at it, but the plain simple fact of the matter is it would cost 20 million more now, and we would have the same technology come to Canada within the next two years.

MR. EVANS: Thank you, Mr. Speaker. A few weeks back, the Minister did make some reference to the amount of work that might hopefully come to

Manitoba. Can the Minister advise whether he is still optimistic that Manitoba will indeed obtain its "fair share" of any such manufacturing work, considering the size of the aerospace industry and the capacity of the Manitoba aerospace industry that we have in the province of Manitoba?

MR. JOHNSTON: It is unfortunate, Mr. Speaker, that the federal government's decision on placing business on that airplane has been mostly in Ontario and Quebec as far as physical new plants are concerned, but there is no question that there is still a tremendous amount of business that will be available to the Manitoba companies. But, Mr. Speaker, it's on a quotation basis, and our companies will take a look at what they can quote on economically to have a return on investment, and I'm sure that their prices will be as competitive as they possibly can be.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Thank you, Mr. Speaker. I am sure our companies will do their very best to bid in this area, and I appreciate it's very competitive. I would like to ask the Minister a question with regard to the estimates that may be available as to the number of jobs which might be created with respect to this CF-18 work in totality. The Minister has a task force, Mr. Speaker, and I know they have worked on it for some time. Is he in a position to indicate approximately how many jobs, or man years, or which ever phraseology he wishes to use with respect to the long-run potential from the CF-18 contracts? Just how many jobs do we think now that can or will be created from this?

MR. SPEAKER: Orders of the day. The Honourable Minister.

MR. JOHNSTON: Mr. Speaker, there is still a potential of — I don't have a figure of jobs — I gave a figure of an amount of money that could be available to the province of Manitoba if our companies are successful, and there are still a lot of jobs available. As I mentioned Bristol has — I won't use the word contracts because I could be corrected, but they have orders and they've tooled up for 35 million worth of business. There's aluminum plants being looked at. There's all kinds of things being looked at in the aerospace industry which is a spin-off from the F-18 program. The member seems to have the opinion that somebody can say it must come here. The physical plants did not come here, but our companies are going to be quoting on it, and I'm sure will be competitive on business. As a matter of fact the estimates of the aerospace group in the province of Manitoba is that it will double in the next four years.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, my question is to the Minister of Economic Development, and it arises out of his answers. He indicated that it's not possible in the contracts to direct where in fact certain plants will locate. Can he confirm that indeed the contract between the government of Canada and the aircraft manufacturer stipulates very definitely that two of the plants involved in manufacturing components for the aircraft will be located in Quebec, and if that is the case, why is it that it can stipulate location of plants in one part of the country, specifically one province, while at the same time Manitoba is hurt by the actions of the federal government directly in not protecting the interests in Manitoba? Can the Minister confirm that stipulation actually exists in the agreement?

MR. SPEAKER: Orders of the day. The Honourable Minister.

MR. JOHNSTON: Mr. Speaker, I would say that things were looking exceptionally good for Manitoba at one time, but that seemed to have changed pretty fast. The physical plants that I spoke of are the blade and vane plant that is going to be put in Quebec by General Electric. There are two other plants that are going — two in Quebec, one in Ontario. The balance of the business is not such that you would build a physical plant, it is such that you would quote on a lot of parts and components for the aircraft, and that's what our companies will be doing, Mr. Speaker. Quite frankly, Mr. Speaker, our main thrust in the province of Manitoba, and the place where we should be which will be the longest-term benefit to Manitoba, will be the overhaul and repair of the aircraft and the engine in the aircraft.

MR. PARASIUK: Mr. Speaker, I would like to ask the Minister if he could confirm that the location of those plants, at least two of them anyway, is in fact stipulated in the contract that was signed between the government of Canada and the aircraft manufacturer. Is that indeed the case?

MR. JOHNSTON: I didn't quite hear quite clearly the first part of the question, Mr. Speaker. The contract with Canada is that there will be certain plants in Canada, and there are going to be physical plants in Canada. Unfortunately there will not be a physical plant that will make a specific one component in Manitoba.

MR. SPEAKER: The Honourable Member for Transcona with a final supplementary.

MR. PARASIUK: Mr. Speaker, when the Minister is making his case to Mr. Gray, the federal Minister, and I presume Mr. Axworthy, the Minister in the Cabinet who is from Manitoba, has he in fact impressed upon him the fact that, what is the justification for their stipulating in an agreement with the aircraft manufacturer that certain plants will be located in eastern Canada while at the same time they say that with respect to the west and with respect to the aerospace industry in Manitoba in particular, that somehow these industries have to compete with American firms and with American locations where they have economies of scale?

Surely that type of reasoning would follow with respect to the three plants that are going to be forced to locate in Manitoba . . .

MR. SPEAKER: Order please, order please. I would suggest to the Honourable Member, rather than arguing or debating, if he is seeking information he can proceed with his question.

MR. PARASIUK: Mr. Speaker, I am certainly trying to seek information. If you can recall, you allowed a very very lengthy answer by the Minister in his first answer, and I am just seeking information from that answer. I would ask him if he has impressed upon the federal government, that if they are going to stipulate location of plants in eastern in Canada in contracts, then surely if there is going to be some type of fairness in our federal system, that they should in fact ensure that there will be economic spin-offs to western Canada, and in particular Manitoba, which has a long tradition and a long outstanding capability in the aerospace industry . . .

MR. SPEAKER: Order please, order please. If the honourable member wishes to ask a question rather than make a statement he can proceed.

MR. PARASIUK: I ask the Minister quite specifically if he has made that position clear to the federal government, because if he isn't, Mr. Speaker, then surely he is not representing Manitoba's interests to the federal government.

MR. SPEAKER: Orders of the day. The Honourable Minister.

MR. JOHNSTON: In my meeting with Mr. Gray, I did make that position very clear. Plants have gone to eastern Canada, and as I said, are vane goal; what will be the most benefit to Manitoba will be the overhaul and tests for that airplane, which will be a 25-year program, and that's what we are moving towards.

MR. SPEAKER: Orders of the Day. The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. Earlier in the Question Period this morning the Minister for the Workplace, Safety and Health Division indicated that there was an asbestos contamination problem present a number of days ago at a worksite at the Selkirk Mental Hospital. I would ask the Minister responsible for Public Works or Government Services if he has been advised, or was advised previous to the beginning of that changeover, as to the proper procedures, or if his department was advised as to the proper procedures to follow when working around areas that might contain asbestos insulation, which might present a contamination problem to the workers involved?

MR. SPEAKER: Orders of the Day. The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. Perhaps then I can ask the Minister responsible if the Workplace, Safety and Health Department has provided other government departments with

instructions as to how to handle projects where workers who are involved in reconstruction or changeover of boiler systems may in fact come in contact with asbestos.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Labour.

HON. Ken McMASTER (Thompson): Well, there is a variety of procedures that are in place, Mr. Speaker. I can check out the specifics of that particular question.

MR. SPEAKER: The Honourable Member for Churchill with a final supplementary.

MR. COWAN: Thank you, Mr. Speaker. To the Minister responsible, I would ask him if it is the policy of his department to provide other government departments with detailed instructions as to how to proceed with work projects that may involve the removal of asbestos. In other words, has he provided them with examples of the different methods of removing asbestos so as to avoid contamination by the workers involved, and has he advised them of different ways in which to deal with the asbestos ones that have been removed so that it does not present the hazard to either the general public or to persons who may be called upon to remove the asbestos from the area?

MR. MacMASTER: Mr. Speaker, I have a feeling there is more to the question than just the specific question. I will take it as notice and get back to the member.

BUSINESS OF THE HOUSE

MR. SPEAKER: The Honourable First Minister.

HON. STERLING L. LYON (Charleswood): I wonder, on the question of the procedure of the House, if I might appeal to the goodwill of the honourable members on this side and on the opposite side. The House met tonight for the purpose merely of monitoring what progress we had made so that we could adjourn and go back into committee. I am wondering if my honourable friends opposite could agree that we have people from out of town who have come some distance to make their submissions to the committee, and if we could agree tonight to adjourn now and go back into the committee, and then tomorrow morning we will be meeting again, any questions, I am sure, could wait overnight.

MR. SPEAKER: Is there agreement on that?
(Agreed)
The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON: Mr. Speaker, I have one change on the Agricultural Committee, Mr. Ferguson for Mr. McKenzie.

MR. SPEAKER: The Honourable Government House Leader.

HON. Ed McGill (Brandon West): Mr. Speaker, I can advise members with respect to the business of

the House, that the Committee on Private Affairs did meet this afternoon, but did not complete its deliberations on the bills referred and has decided not to meet this evening. The Standing Committee on Agriculture has met this afternoon and has not completed its deliberations with respect to bills referred and will meet tonight immediately following the adjournment here.

So, Mr. Speaker, I move, seconded by the Minister for Government Services, that the House do now adjourn and stand adjourned until 10:00 o'clock tomorrow morning.

MOTION presented and carried, and the House is accordingly adjourned and stands adjourned until 10 o'clock tomorrow morning (Thursday).