



**Second Session — Thirty-Second Legislature**

of the

**Legislative Assembly of Manitoba**

**DEBATES  
and  
PROCEEDINGS**

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31-32 Elizabeth II

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Second Legislature**

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<b>WALDING, Hon. D. James</b>	St. Vital	NDP

Thursday, 12 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. The Member for Sturgeon Creek had the floor when we were interrupted for the Private Members' Hour. He has 15 minutes.

**MR. F. JOHNSTON:** When we adjourned, Mr. Chairman, I was saying that, regardless of all of the good work that the department can do and all the programs that they have, the policies of the government were what will decide whether the economic conditions of Manitoba will change. I had mentioned the payroll tax, and I had mentioned some comments by union leaders. I mentioned another one, the hearings that we have just had on pensions in Manitoba. I fully realize that won't be initiated this year and I'm not against having a good pension program, but if Manitoba is going to be out of step with the other provinces, it will be just another area where people who want to invest in Manitoba will ignore Manitoba.

We are in the position at the present time of exports being down, manufacturing being down, tourism being down. The Minister keeps saying that retail sales are up, but not nearly up as much as inflation. So the province at the present time is in the position of having to recover after having a decline during the past year and a half in Manitoba.

I don't really see the government having any policies, other than the Venture Program, that is going to really create a situation in Manitoba for increased economy. The \$200,000 Jobs Fund is government money, and it is not going to create more investment; by investment, I mean by outside people coming in and investing.

I think it was proven today that when you are competitive, as we are in the oil business at the present time, you receive investment. I think it's going to be proven that provinces who take a look at tax reductions or tax incentives - and it's not a bad way to look at it; you don't have the money now - are going to be the people that are going to move ahead.

Let me just read to you what you're up against in Saskatchewan, and I don't know whether the Minister gets the releases from Saskatchewan or not. "Small business details announced." It's also put up in the Manitoba Business. "A \$3 million special project fund will help finance productive investment in the public sector, supporting more than 400 jobs. In the private sector, a new \$20 million small business tax credit program will provide a 5,000 tax rebate for each new employee hired by small business. That, Mr. Chairman, is an incentive for small business to go forward. That's an incentive for Saskatchewan small business to go after the development that will take place in Western Canada.

Manitoba was on the threshold, until we hit the recession, of being the province that was going to get the advantages of the western development and the western development will be there. The western development will be there because of your energy situation.

None of us knows really what's going to happen on the Crow rate situation. But whether the Crow rate changes or not, the railroads are going to have to do a fair amount of expansion.

Unless we have a program that will give our small businesses the opportunity to expand, we will lose to Saskatchewan, and we'll lose to Ontario who we've always lost to before.

I pick up, I read if I have delivered to me, Saskatchewan Manufacturing Opportunities for 1983 catalogue that is put out. Saskatchewan says, we're going to do business. We're open for business. Mr. Chairman, the Manitoba government is not doing things to create the climate for investment that the other provinces are doing. It is the philosophy of the government, and the philosophy of this government is such that we will not have as much investment.

Well, Mr. Chairman, as I mentioned earlier, the department hasn't really changed. I really don't see any real initiative programs coming from this department. I really don't. Well, I shouldn't say that, I see a lot of excitement being created by the government to say that we have policies that will help the economy. The Minister mentions the housing policy, Homes in Manitoba. They have an interest program for a good interest rate. Yet the house builders say that if the federal program closes up, they'll have to close up. That doesn't say much for the provincial program. So the incentive as far as the housing is concerned is not really there as far as Provincial Government is concerned.

The "wish list" that has been presented, I would venture to say, has had so little research that it's close to being disgusting. Nobody can tell me that there has been thorough research done on any of those programs. Nobody can tell me that any one of them is ready to go out to tender. Pardon me, the Technical College is going to go ahead. But your \$200 million Job Creation Project - there is no more money in the Budget. Our finance critic has proven that. It is just not there. It's been taken from the department.

Let me take a look at the Estimates generally, and I know we can go through this clause by clause, but generally, when I see Salaries expanding in many of the departments, and I guess that's the increase that was decided on with the Civil Services Commission, but most places where I read Other Expenditures are down. How can you give the same service if your Other Expenditures are down just about through the whole Estimates? Is the department saying, or the government saying that pencils and paperclips and travelling expenses haven't gone up? For those to be the same, you wouldn't be giving the same service but in many cases, in most of the cases through these Estimates, the Other Expenditures are down. I really don't know

how that can happen, because as I said, if they stayed the same, you'd be behind the gun because expenses do go up.

I don't see anything in the Department of Economic Development and the Minister is the Deputy Minister on the committee that is involved in resource development, Crown investments, etc., other than ManOil, that is any type of a large project that is looked at in the Province of Manitoba. We know that Hydro isn't going ahead. We know the Minister of Energy fouled that up. We know that we have a situation where Alcan is not moving ahead in Manitoba, regardless of what the Minister of Energy says. He says they're still negotiating but Alcan has decided to expand in Quebec.

I have an article on my desk downstairs where Quebec offered \$50 million to an aluminum company to invest in their province. Here we had one that was going to invest in Manitoba, that weren't asking us for a thing except for a part ownership of a Hydro plant and were willing to pay \$600 million for that privilege. I don't see anything like that coming. I don't see anything like the potash moving ahead in this province, but I see it moving ahead in New Brunswick.

So, Mr. Chairman, where are these large projects? I read Mr. Newman's article in the Business Magazine the other day and he said that our service industry is one that has to be looked at and one that has to be developed and move ahead. Manitoba has always had a good service industry. We have always had people that were capable of giving service to manufacturers, giving service to offices, giving service to cash registers, or even servicing manufactured products or manufacturing factories across Western Canada. We've serviced the farm industry; we've serviced the railroads, and we are going to have a service industry; but there comes a time when the service industry will get so big that they'll be looking around for somebody to service. It sounds a little corny maybe, but I can tell you that unless we start to develop some large manufacturing developments in the Province of Manitoba, we are going to be in the position of just being a manufacturing province that takes care of the agricultural industry and small manufacturers that take care of the service industry, but they will not have any large industries which they need to survive. They need those customers to survive.

We won't have a car industry in Manitoba. There are several industries that we will never have in Manitoba, but we do have the opportunity because of our power, because of geographics to have some large ones that will be of benefit to this province. I know the Minister and I went through this last Estimates, where she said that these large industries . . .

**MR. CHAIRMAN:** The member has one minute.

**MR. F. JOHNSTON:** . . . weren't that desirable because they might not stay. Well I can assure you that anything that stays in Manitoba for 25 to 50 years employing people and having the type of investment that we had available to us is beneficial to this province. I don't see anything like that happening with this government. It has just not been put on the books to date.

So, Mr. Chairman, the proof will be in the pudding. The country, as everybody says, is maybe on its way

back from this recession. We will see whether Manitoba moves out with private investment versus public investment, and public investment will not create the long-term jobs that the people of Manitoba want.

Thank you.

**MR. CHAIRMAN:** Before we proceed any further, the Chair wishes to invite the members of the administrative staff of the Department of Economic Development and Tourism to take their respective places.

We are starting with Item 1.(b)(1), because we wish to postpone, as is customary, the Minister's Salary which is Item 1.(a) as the last item for consideration in this budgetary Estimates.

So we are now in Item 1.(b)(1) and 1.(b)(2) Executive: Salaries, Other Expenditures - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** These expenditures are for the Executive office. I wonder if I could ask the Minister, the Salaries are up slightly, \$51,800.00. Does that mean that there is more of a staff in that department which covers the Deputy and the Minister's secretarial staff and Executive Assistants, etc.?

**HON. M. SMITH:** Just to clarify. During the year there was a transfer out, during 1982-83, of three persons from the department and that's therefore the corrected figure. The increase is the two salary increases which occurred in the one year, plus the 27th pay period.

**MR. F. JOHNSTON:** Well the Minister had an Executive Assistant last year. I have been told that the Minister has two Executive Assistants now. Is that the reason for the increase?

**HON. M. SMITH:** Our staffing pattern is one EA and one SA responsible to the Minister.

**MR. F. JOHNSTON:** Does the Minister have a rundown of the number of SMYs in the different departments that she could table with us?

**HON. M. SMITH:** Yes, we will provide that information for you.

**MR. F. JOHNSTON:** Well, Mr. Chairman, there's been many occasions when we have spent a lot of time on the executive. It is an area where it is the operations of the offices of the Minister and Deputy Minister, and that is very wide ranging. I've just noticed that there is some increases in salary. Has the total SMYs of the department been increased? That's Economic Development.

**HON. M. SMITH:** In the total department there's been an increase of five, from 239.08 to 244.08.

In the executive section there's been a reduction of four, from 48.13 to 44.13.

**MR. F. JOHNSTON:** Well in the executive section, the reduction of three, I'm having a little trouble wondering how the reduction of three can take place. I know that . . .

**HON. M. SMITH:** The figure is adjusted.

**MR. F. JOHNSTON:** . . . Murray is gone, but I don't know who else is gone.

**HON. M. SMITH:** I'm not sure whether your uncertainty is stemming from the amount of the salary figure in the book, or that you are just wondering who the individual people are?

**MR. F. JOHNSTON:** Well, I would ask then who the individual people are?

**HON. M. SMITH:** There's been a transfer-out of two secretaries, an administrative officer and another staff person. Sorry, two secretaries and administrative officer. The complement, perhaps if we go at it the other round, in the Executive section, there is the Deputy Minister, an EA and an SA, a special assistant to the deputy and three secretaries.

**MR. F. JOHNSTON:** Well, I'm having trouble wondering where the two secretaries went. There were never any more than that.

**HON. M. SMITH:** Well, there were four when I entered office a year and one-half ago and there are now . . .

**MR. F. JOHNSTON:** There are just two secretaries now.

**HON. M. SMITH:** No, sorry, there were five and there are now three.

**MR. CHAIRMAN:** The Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, we notice that there is an increase of 25 percent in Salaries in 1.(b)(1) and the Minister says there's been a reduction of three positions. Now somebody must have received a tremendous salary increase, if there has been a reduction of three positions and you have a 25 percent increase in salaries. I would like the Minister to explain what has been going on.

**HON. M. SMITH:** The figure in the book has been adjusted to recognize those transfers out, so the comparative figures are the salary levels for the current staff complement.

**MR. A. BROWN:** At the same time though, we have three less positions and we have an increase of 25 percent in the Salaries. Who has been receiving these increases?

**HON. M. SMITH:** There have been two Civil Service increases that have been folded into one year plus the 27th pay period, and that's what accounts for the apparent jump, but they've all fallen within the Civil Service pattern.

**MR. A. BROWN:** Could the Minister then identify these two civil servants that have been folded into one year, as she puts it?

**HON. M. SMITH:** No, they're two Civil Service increases.

**MR. A. BROWN:** Could the Minister then say how much these increases were?

**HON. M. SMITH:** I think it's been consistent across all departments but I can get the precise percentages if you like.

**MR. A. BROWN:** It would be interesting, Mr. Chairman, to have the exact increases that have developed over this period of a year, since the last Estimates came out, because we would like to check to see what has been going on.

Mr. Chairman, I don't know if this question has been asked, but I know that we have a new Deputy Minister that I am really not familiar with. I don't know if the Minister had introduced the new deputy, but I would like the Minister, if she has not done this, then I would like her to do so and maybe give us some of his background.

**HON. M. SMITH:** I would be very happy to do that. The new Deputy Minister is Mr. Ed Robertson, the gentleman here on my left, who has been with us for several weeks now. I would also like to acknowledge Hugh Eliasson to his left, who served as our extremely capable and co-operative Acting Deputy Minister since last August.

Our new Deputy comes to us through an open Civil Service competition. He has worked in Ontario in the immediate past with the Department of Northern Affairs and Tourism, where he has done a great deal of work in community development and strategic planning. He also took part in the cross-Canada federal task force studies of different industrial sectors. Prior to that, he has had experience in private sector here and in England and did work for a considerable length of time in England with the Federation of British Industry with special responsibility in the area of industrial relations.

We feel extremely fortunate to have such a person as our deputy, and look forward very much to the work ahead.

**MR. A. BROWN:** I wonder if the Minister could give us the same background on Mr. Eliasson as to where he's from and what he has been involved with.

**HON. M. SMITH:** Hugh Eliasson is Winnipeg born and bred, as far as I know, and has been a graduate of our own Faculty of Admin Studies at the University and an M.B.A. Hugh has been with the department since early 1977, and has had special responsibilities primarily in working with the Enterprise Manitoba Agreement. He did serve as a special assistant to the previous deputy when he had to be away, and distinguished himself by his coolness and capabilities and overall knowledge of the department.

**MR. A. BROWN:** I notice that the deputy, Mr. Robertson, has been involved in the private sector, and I would say that is most encouraging. I wonder if Mr. Eliasson has also been involved in the private sector and private business.

**HON. M. SMITH:** Not directly.

**MR. A. BROWN:** These question that I am asking, Mr. Chairman, are questions which are continuously being

put to me. As we know very well, that the Minister herself has not been involved in private business, and so the business community out there feels that it is essential that somebody that is close to the top, either the deputy or the close advisers, that it is essential that these people have been involved in private business at some time or another, because there is a lot of experience that is gained through being in private business that can be gained no other place. So I am pleased to see that the Deputy Minister, at least, has been involved in private business.

In the Salaries, are there any contract positions in 1.(b)(1)?

**HON. M. SMITH:** No, we do not have anyone on contract at the present time.

**MR. A. BROWN:** Are there any committees or commissions operating out of this office?

**HON. M. SMITH:** No.

**MR. A. BROWN:** So this is only full-time staff then that is involved directly with the Minister's and then with the Deputy Minister's office, from what I understand.

**HON. M. SMITH:** Yes.

**MR. A. BROWN:** Among those people, is there a special group that is doing any consulting work for the Minister within this group?

**HON. M. SMITH:** No.

**MR. CHAIRMAN:** 1.(b)(1)—pass; 1.(b)(2) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, as I mentioned in my remarks earlier, the Other Expenditures seem to be down considerably, and I just assume that the Other Expenditures are down in this department because there was a transfer out of two people. I imagine that's the case, so we'll just pass that.

**MR. CHAIRMAN:** 1.(b)(2)—pass; 1.(c)(1) - the Member for Rhineland.

**MR. A. BROWN:** Again, I notice that there is a 21.3 percent increase in Salaries. Is the reason for that again that there have been two salary increases in the last year?

**HON. M. SMITH:** If I could perhaps read from the information I now have on the previous item, I think it was a slight adjustment because of the different level of employee, gives roughly the pattern. 1982-83, there was a 12.5 increase, and 1983-84, 10 percent, and the 27th pay period for the year accounted for 4 percent.

**MR. A. BROWN:** And that is over a period of how many months?

**HON. M. SMITH:** Both increases got charged to the one year. So it's over a 12-month period, but I guess should more reasonably be thought of as the increases

that occurred over two years. The 27th pay period, of course, is the anomaly that appears every fourth year.

**MR. A. BROWN:** Who at the present time is in charge of this particular item, Finance and Administration? You must have a Director, I suppose.

**HON. M. SMITH:** Yes. The gentleman sitting in the middle of the table over there, Mr. Wally Mialkowski.

**MR. A. BROWN:** We notice that in some departments there have been a number of computers purchased, and I suppose that this would be one of those departments possibly at which some computers would be purchased. I wonder if the Minister could tell me how many computers have been purchased, or whether they are going into a computerized program.

**HON. M. SMITH:** The department has purchased two IBM personal computers.

**MR. A. BROWN:** Would the Minister tell me at what cost?

**HON. M. SMITH:** \$25,000 each.

**MR. A. BROWN:** Is this particular department connected in any way with the Manitoba Data Services? Are they getting information from them or are they feeding information into them?

**HON. M. SMITH:** The government is co-ordinating all its purchase of hardware and software in the computer field through Manitoba Data Services.

**MR. A. BROWN:** Because Manitoba Data Services are really available to all the departments, I wonder, was a feasibility study done before these computers were purchased?

**HON. M. SMITH:** There was a very thorough study of the requirements of all government departments and the procedures to be followed in evaluating and acquiring new equipment. Every department is required to work through that co-ordinating body. So I can assure the member that the case had to be well made and documented before the decision to make the purchase was made.

**MR. CHAIRMAN:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** The information that was just passed to us shows this department has a decrease of two people by the look of it. Where did those two people go? If I am correct, this department does the research, has the research people in it, and the accounting people. Where did those two SMYs go? Or where were they working and they're not now?

**HON. M. SMITH:** There were not actual bodies transferred. There were some vacancies which were reviewed in our reorganization. Each department in government attempted to set its priorities and accomplish its main programs without increasing the

cost or staff compliment wherever possible. It was the decision in this department to shift a greater priority onto the activities under the Manitoba Research Council, specifically to promote the technology field. Two vacant positions were given up from this section to accomplish that.

**MR. F. JOHNSTON:** Do we have the same number of people in the research staff?

**HON. M. SMITH:** I . . .

**MR. CHAIRMAN:** Would the Member for Sturgeon Creek kindly repeat the question?

**MR. F. JOHNSTON:** Do we still have the same number of people in the research staff or are they now under a different area?

**HON. M. SMITH:** Yes, they show up under 2.(a)(5), under Strategic Planning, so there's no specific research staff in this section.

**MR. F. JOHNSTON:** Again we have a large increase in salaries, a very large increase in salaries. We have the same amount of people, and we have a decrease in the Other Expenditures again. I just wonder how the Minister explains a decrease in Other Expenditures when the same number of people are there?

**HON. M. SMITH:** Well, the increase in salary is explained by the same response that went with the previous group. There were two annual increases that appeared in one year plus the 27th pay period. The operating amount, the savings have been achieved through careful organization of the work of the department.

**MR. CHAIRMAN:** The Honourable Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, I would like the Minister to explain the two increases in the one year. It seems to me as if that is highly irregular, that we do not normally see two increases in salaries in a 12-month period of time. What is the explanation for that, or what is the reasoning behind this?

**HON. M. SMITH:** Well, it had to do with the dates in which the agreements were settled. I think you'll find the same pattern throughout the departments.

**MR. A. BROWN:** That is correct. I have been finding the same pattern throughout the departments. I'm just beginning to wonder about this. This means that within a period of 12 months, there have been two substantial increases. When was the first increase given, if I may ask the Minister?

**HON. M. SMITH:** The 1981-82 settlement with MGEA did not occur until after April 1, of 1982.

**MR. A. BROWN:** In April though.

**HON. M. SMITH:** Well, after April 1. I haven't . . .

**MR. A. BROWN:** Yes, was it in April?

**HON. M. SMITH:** It's after April 1, so that would mean it would fold into this year's fiscal year, April 1 to March 31st, 1983.

**MR. A. BROWN:** Okay, that would have been after, even if it was after April 1, whenever it was, it would have been retroactive to March 31st right?

**HON. M. SMITH:** Yes.

**MR. A. BROWN:** Now, we have another agreement now and I guess that this is what's bothering me. There has been another percentage increase and March 31 we know is the end of the government's year, it's the year end. Why was the second increase - when did that take effect? Did that take effect before March 31st?

**HON. M. SMITH:** The agreement was a two-year agreement, so they were able to put both the amounts into this year. Our budgeting was done with awareness of the increase in the salary side, so there was a redoubled effort to look for efficiencies and a better way of delivering service on the operation side.

**MR. A. BROWN:** So the agreement was a two-year agreement, and I remember that it was a two-year agreement. Did the second part of the agreement come into effect before March 31st, and if it did, when did payments start on that agreement?

**HON. M. SMITH:** No, it hasn't come into effect yet, but it will show up in the 1983-84 expenditures.

**MR. A. BROWN:** I notice in this particular item, Mr. Chairman, that there is a reference library that's involved and I've noticed that in every department that we examine, you always have reference libraries. Could the Minister tell me, is there anything in that particular reference library that is not in the library at the Archives Building?

**HON. M. SMITH:** This library has been built up with very specialized material relating to small-business industry and trade, and I think would have a fuller collection in those specialties than what exists in the Archive Building, which is a more general library.

**MR. A. BROWN:** So, you are telling me then that in your library there are items relating to business, or whatever, that could not possibly be found in the Archives Building?

**HON. M. SMITH:** I couldn't vouch for there being no duplications. What we do have though, is a library that is available, on request, to public borrowers and it has provided a special resource, both to the department and to people involved in the business sector.

**MR. A. BROWN:** I think that is possibly my concern, that every department has their own library and I'm just wondering how much duplication there is with the library at the Archives, and whether it is really necessary

that each department have their own library when I know that there is a very comprehensive library at the Archives Building. It's just something that I was going to question the Minister on, to make sure that we were not duplicating things.

**HON. M. SMITH:** Well, I think that's a very fair request and concern. This library does subscribe to specialized periodicals. We find that business students do consult this library, and therefore we find that they seem to find that it has a wider and more specialized resource than what they can get at the university, and if I know students and their professors fairly well, I would think that someone has kept a pretty close eye on what libraries in the city do provide the service. I think the steady traffic we get from business students does assure me that it is, in fact, a specialized library, but I certainly undertake to ask the staff to ensure that they do evaluate it carefully and avoid needless duplication, because I think that is a fair concern.

**MR. A. BROWN:** Mr. Chairman, I would appreciate that and if there is no problem, if there is no duplication of services, well, all right. If it's justified, then it's justified. But I do know that the university does have quite an extensive library and we have this library at the Archives Building and maybe somewhere along the line between the two of them, we could work together and maybe make a bit of a saving in that particular item.

Mr. Chairman, I notice that there are also some support services to the department listed under this item. I wonder if the Minister could give some indication as to what these support services are?

**HON. M. SMITH:** Yes, there's an accounting service which, of course, is central. There's a specialized clerical support for both legal and administrative activities. There's a central registry, mail and delivery, photocopying, the library referred to already, pool vehicles. The services that are provided are in accounting and financial management, information, personnel, travel arrangements, word processing. They look after the goods and stock such as office space, furniture, communications equipment, stationery, computer facilities and are responsible for reviewing all the legislative and regulatory requirements pertaining to expenditures, records, revenues, procurement, personnel, reports and returns.

**MR. A. BROWN:** In other words, this is something separate from what the Civil Service Commission would be providing, because I understand that the Civil Service Commission are involved in quite a few training programs for positions, so this would be something that would be quite separate from what the Civil Service Commission is doing?

**HON. M. SMITH:** This department would be specializing in services to the 250 people in the department, but would be in communication with and co-operate with the Civil Service for special training programs. But there's not a duplication.

**MR. CHAIRMAN:** 1.(c)(1)—pass; 1.(c)(2)—pass; 1.(d)(1) - the Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, I notice there's an increase of \$105,000 in the Salaries, and the Manitoba Bureau of Statistics has one more SMY than they had before. I'm not going to ask the Minister to give the explanation again. I just assume that it's because of the two pay periods and one more person.

**HON. M. SMITH:** There has been a person responsible for developing economic accounts in co-operation with the Department of Finance; that accounts for the extra person. The overall increase is, as the member has already intimated, tied up with the same salary increase pattern as exists elsewhere.

**MR. F. JOHNSTON:** I wonder if the Minister could just - the person is with the Manitoba Bureau of Statistics and they are dealing with accounts?

**HON. M. SMITH:** The member may have recalled some discussion about developing a Manitoba Economic Accounts Project, where we would be providing the data to the Department of Finance, so that they would have ability to simulate and know more about the economy of Manitoba and be able to test out different proposed programs in advance. It's a very useful decision-making tool for both groups.

**MR. F. JOHNSTON:** Didn't that person used to be in the Department of Finance that was liaising with the Department of Economic Development?

**HON. M. SMITH:** It's a new project initiative taken jointly by the two departments.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister has said, "you will recall." Well, I'm having trouble recalling just what she has explained. In other words, the Bureau of Statistics is now supplying statistics to the Department of Finance, regarding different projects?

**HON. M. SMITH:** On the first point, when I said, "you will recall," I assumed that the Minister might well have heard of this proposal, because it was - I'm going to say floating around - what I mean is, it was a concept or an intention or something that was under review when I assumed duties in the department.

The idea was, through providing data from MBS to Department of Finance, that a model could be built that would enable people in Finance when they were evaluating different proposals, for example, different types of taxes and trying to work out their impact on the Manitoba economy, they could test them out on this model. So it's not for individual projects in our department so much as overall tax policies and programs that would affect the overall government.

We did discuss the concept or the possibility of this program during last year's Estimates, and that also was what I was referring to that you would recall.

**MR. F. JOHNSTON:** Under those circumstances, has the Manitoba Bureau of Statistics been able to inform the Department of Finance the impact that the 1.5 percent employment tax has on the economy of the Province of Manitoba?

**HON. M. SMITH:** This accounts project was not in place. It would have been a very useful tool to use in assessing the impact.



In the absence of this type of a modeling, the Finance Department did an impact study for the Cabinet with the tools they had available. It was in comparing the impact of the 1.5 levy with a percent or two of sales tax that revealed to the Cabinet that the sales tax was a much more regressive tax, that is, the weight would fall more heavily on people at the lower end of the income scale. That, in fact, did influence the decision to go with the levy to help compensate for the approximate \$70 million cutback in federal funding.

**MR. F. JOHNSTON:** It's regrettable that this person was not in place when the 1.5 was put on because I can't, in my worst nightmares, believe that anybody in the Department of Economic Development could recommend to the Department of Finance a 1.5 percent employment tax, knowing the disastrous effect that it would have on the economy of the province, employment of the province and future investment in the province. The Minister says, "regressive.- the sales tax was more regressive." I don't know of a tax that is more regressive than a tax that puts people out of work.

Mr. Chairman, will this department now be making an evaluation of the 1.5 percent sales tax on the economy of the Province of Manitoba, and the effect it may have on investment?

**HON. M. SMITH:** We will, of course, be looking at impact, but perhaps this is an example of where the concept of balance that the member said he had difficulty understanding, is relevant. When faced with a cutback in federal funding as a government, we were faced with the question of how to make it up if we were going to maintain our health and post-secondary education services. Now we could have let them go down and that would have impacted, I guess, on everyone. We could choose to raise money in order to maintain them, and that is in fact what we chose to do.

In determining how we were going to raise that money, we operated on the concept that we, as a society, had to balance out the burden and the benefits so that it didn't all fall on one portion of the community, particularly on the people who were perhaps less able to cope. Mindful of the honourable member's belief, which I know is sincere, that growth comes primarily, solely perhaps, from private-sector investment, I can see how he would feel that this was an unwise move, but it is our considered view that growth in tough times and good times comes from the private and the public sector and from the demand side as well as the investment side.

We felt, therefore, that a progressive tax which did not take away the demand capacity, particularly of the poorer members of society, was the wiser move. We realize it is somewhat of a deterrent to investment the same way any tax might be, but we also know that the private sector does understand that they cannot operate without sharing some of the good times and bad times of the total economy. We know that in other jurisdictions, they have a different mix of taxes and costs to deal with. For example, in Ontario, the employer has to pay a quite hefty and recently increased health premium. He must share payment of that with the employee.

In looking at the total package of taxes and costs in provinces across the country, although we all have somewhat different mixes, Manitoba does not score badly on that comparison. As a matter of fact, in the study that was tabled last year by my colleague, the Minister of Finance, we found that the cost of doing business in Winnipeg, taking all the reasonable costs and taxes into account, showed that Winnipeg was second best in the major Canadian cities.

So that is an example of the balanced approach that we took. We know that any levy at time of high unemployment and economic difficulty is a difficult thing to bear. It is difficult for businesses and employers, but also times of unemployment and inflation are very, very difficult for elderly people, for the unemployed, for young people who have never had jobs and students. It's also very difficult for them to cope with, so we were guided by that balanced approach. I think it is a responsible and fair approach.

**MR. F. JOHNSTON:** Mr. Chairman, comparing Winnipeg with Toronto, Edmonton, Calgary, Montreal is not a good comparison when you're talking about businesses. Small businesses in those areas have a tremendous amount of customers available to them that the Manitoba small businesses don't have. We were starting to create a market, or we were starting - let's put it this way - to be able to go after a market in Western Canada and, when the economy of the country broke down and the economy of Western Canada - mainly because of the horrible energy agreement of the Federal Government - broke down, it put Manitoba manufacturers in a very bad position, because we are only a million people and we are an exporting province in manufacturing. To place a tax on employment at that time when there was no place for anybody to expand and no place for an increase in prices because of competition could only have harmed the small businesses and businesses in Manitoba. As the Minister says, any tax is something that does discourage investment and it will discourage investment. But to place that tax on Manitoba when it was put on, the effect that it had on the economy was basically loss of employment.

I am aware of two companies that let people go and the total of the salaries of the people that were let go was exactly the amount of the 1.5 sales tax, because they were having a tough time and there was no way they could increase prices.

Mr. Chairman, we have dwelt on that on many occasions, but I would ask the Minister again if there is going to be a re-evaluation done by the Manitoba Bureau of Statistics as to the effect the 1.5 sales tax has on the economy of this province in reference to business, and I ask that if that is going to be done, because there is no group of people that are involved in business in the province at the present time that have not said that this has been a harmful tax to the business people of the Province of Manitoba.

**HON. M. SMITH:** Mr. Chairperson, I understand the honourable member's concern and perspective. I submit, though, that he is looking at the economy and the society through the eyes of small business or potential investors only. I agree that's a very important

component in society and their prosperity is necessary to our growth, but, Mr. Chairperson, they are not the only groups in society that deserve attention.

If we had been cutting back on post-secondary courses that were supplying trained personnel for business, that might not have gone down so well, although the impact might have been slow to show. If there were not health services available, again perhaps the only people who would have complained might have been the people who were affected by ill health, the misfortune of ill health. Therefore, there might not have been as concerted an objection to it, but I guess our political and economic philosophy is that we must look at the economic well-being of the total group, that when times are tough we are not willing to say to 20, 30, whatever percent of society who are at the shorter end of things, that they must wait and tighten their belts for ten years until things look up. We believe we all must share the burden and find a way through the tough times together. It's a balanced approach that we believe in the long run produces the most impact both ways.

There was public investment that we put in to assist through the tough time to stimulate work for small business; there was money in people's pockets here so they could in fact maintain the demand for many small businesses. The exports to the west are things which are still possible if and when the big projects to the west get moving again.

Meanwhile, through our Buy Manitoba Programs we are trying to ensure that small business, our own manufacturers, get access to what markets we have, get the assistance in becoming more competitive, and in seeking out new markets. So that I think what we think we have put together is not only a responsible economic development approach, but we have not forgotten the needs of the less fortunate half of our society and we have tried to shield them somewhat against the worst adversities and offer them what we very much think they have every right to believe, and that is some reasonable share of the common wealth and productivity of this society.

We certainly do realize that that one tax can be singled out and pointed at as the straw that broke the camel's back. I think we might also say that we put in some special assistance programs to try to help those very companies, which were near the breaking point, through interest rate relief and some of the business ALERT initiatives. It was our choice of the way to do it, because we don't think that the only sector to be considered is small business. However important it is, and we do believe it is important, we still think the best way to go forward is in this balanced way.

**MR. F. JOHNSTON:** Mr. Chairman, the Minister was defending the tax that was put on by this government on employment. We realize that there are social services to be considered in this province, but the increased costs of social service if people are out of work, manufacturing employment and business employment is down.

We don't need to talk about the construction industry or the service industries, etc., small business and manufacturing employment is down. This tax has been harmful from that point of view, that people may be

out of work and are out of work because of this tax. This tax, if the Manitoba Bureau of Statistics is the vehicle to supply statistics to the Department of Finance, will they be doing research on the effect of the payroll tax in the Province of Manitoba? We are in the Economic Development Estimates, but I would say that this tax is paid by farmers, it's paid by barbers, it's paid by everybody that employs somebody in this province, and everybody in this province has been suffering and suffering because of the economy in the country and the economy of this province.

Will the Manitoba Bureau of Statistics be doing a study as to the effect of the payroll tax on the Province of Manitoba?

**HON. M. SMITH:** In such a study, what the Manitoba Bureau of Statistics does is provide the data that then enables other departments to make their policy decisions. The policy decision that was made on that tax, as I said earlier, was made by Cabinet looking at all the groups in society, and although I can feel for an employer, and especially a hard-pressed small business, feeling the imposition of such a tax, I suggest that a sales tax, which was the alternative, would hit the elderly, many of whose incomes are not keeping up with inflated costs, the unemployed, the young, the disabled. The choice was to at least go to the people who were fortunate enough to have a job. The tax was not against employment; it was for education, post-secondary education and health services. It was an emergency-type tax because we were faced with a federal cutback which we could not control or prevent.

Back to the Bureau of Statistics. The type of information which they will be supplying to the Department of Finance in the Economic Accounts Project will be in Phase I, which will be completed very shortly. They'll be compiling data on gross domestic product at market prices by income component; next, gross domestic product at factor cost by industry; next, personal income by source; and four, government transfer payments to persons. The next phase of the study they will be looking at gross domestic expenditure at market prices by expenditure component, third phase to be completed by the end of this year. They'll be looking at real domestic expenditure-by-expenditure component, using 1971 constant dollars and then the following year they'll be working on selected income and expenditure items, using both current and constant dollar tables.

That information will be made available specifically to the Department of Finance and in that department they will be able to take that data and run the types of tests that the member suggests.

**MR. F. JOHNSTON:** Mr. Chairman, we now have an increased sales tax, and anybody that had the capability or anybody that had the opportunity to pass the 1.5 percent sales tax on, would increase prices to everybody, because everybody in business in Manitoba pays it, anybody that hires anyone. The fact of the matter is they weren't able to pass it on and it was very harmful to small business. And very harmful to farmers; very harmful to everyone; and it's going to be very harmful for future investment in this province.

**HON. M. SMITH:** The member may recall that last year there was a cut in the small business tax rate to give

them some relief and that the sales tax in fact did not go in last year, and this year it went in 1 percent, not the 2 percent that was expected last year. I would remind the member that if he keeps insisting that one tax will deter investment, he may create a self-fulfilling prophecy. I think a wiser move on his part, as well as on ours, is to look at the total package of taxes and costs in this area and the areas where we do have comparative advantage. There are opportunities for investment and we, for our part, are not that pessimistic that we won't get our reasonable share of investment dollars.

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

**MR. F. JOHNSTON:** Well, from what the Minister has said, then I can assume, or can we assume that the payroll tax will not increase?

**HON. M. SMITH:** It would be presumptuous of me to make a decision which Cabinet will make when they have the most up-to-date data at the time that the Budget is being formed.

**A MEMBER:** It scares you.

**MR. F. JOHNSTON:** Scary is right. Mr. Chairman, I would only say then that we have established a new tax in the Province of Manitoba that is in a position or is there to be increased if the Cabinet so decides. And any further increases on employment in this province would be disastrous.

**MR. CHAIRMAN:** 1.(d)(1)—pass; 1.(d)(2) - the Member for Rhineland.

**MR. A. BROWN:** Mr. Chairman, this particular item is, as far as I am concerned at least, and I know that as far as everybody is concerned, a very important area, the Manitoba Bureau of Statistics. Because if you don't have the proper statistics, there is no way that you can properly analyze a particular program that has been under way for a number of years or whatever, and to see whether it's a successful program or whether you should be entering into different programs. So I feel that the Manitoba Bureau of Statistics has a very important role to play, and I think maybe for that reason we have been paying some extra attention to statistics, in whichever department we find them.

I notice that in the Department of Health, for instance, they used to do their own statistics over there and I notice that some of the SMYs over there were being transferred. Now I did not know where they were being transferred. Are they coming over into this Statistics Branch, are you going to be doing all the statistics for the Department of Health and for all the departments, or are some of the departments still going to be doing their own statistics?

**HON. M. SMITH:** No, we are not receiving any statisticians from the Department of Health. On the other hand the MBS has been moving increasingly to provide a service of integrating social and economic statistics relating to the province, but there are some

specific stats areas that departments perform on their own. There is a co-ordinating committee of government that looks at statistical needs and in fact some of the base stats might come from the MBS and be then further refined and used by the Department of Health, but we have a co-ordinating committee to reduce and prevent duplication.

**MR. A. BROWN:** How many reports are produced by this branch of the department every year?

**HON. M. SMITH:** Facetiously, I'll say lots, but if you give me a moment, I do have a list of the general reports which I could just run through quickly rather than give a total. There is a sourcing directory which is what we call one of our industrial services, it's a computerized sourcing data base that identifies the supply capabilities of industrial service firms. That would be repair, maintenance, welding and machinery.

As of October 1, 1982, 329 firms and 94 individual services were catalogued in the data base. Another one would be the Manitoba Sourcing Directory for manufacturing. This computerized sourcing data base identifies the supply capabilities of manufacturers, we had one and it was updated. As of October 1st, 1,727 firms and 2,586 individual products were catalogued at data base.

There's a small area data development project, a generalized computerized system was developed to produce a small area or sub-provincial level data, either general or customized for a specific requirement from individual statistical and administrative computerized data bases containing postal codes. This system is currently being tested; we are wanting to get data that could help us target some of our programs a little more specifically within the province.

There's a survey review program. To February 28, 1983, 32 surveys have been reviewed. The bureau compiled and disseminated the report, Survey Activity in the Manitoba Government, 1981-82. Again the MBS looks to ensure that surveys are carried out according to the most professional standards of statistics.

There are statistical reports prepared; namely, the Quarterly Manitoba Statistical Review, for which we have 218 subscriptions, 164 of which are paid subscriptions; 1981 Census, 385 copies; Historical Investment, 11 copies; and Inventory of Administrative Records, 75 copies.

There are specific information requests that the bureau responds to, and to February 28th there were 1,613 statistical information requests; 76 percent or roughly three-quarters of these came from government departments and a quarter from the private sector. In addition, 96 data requests were generated from four computerized data bases maintained by the bureau.

The MBS also carries out statistical consulting. They assisted departments of Natural Resources, the Civil Service Commission, Northern Affairs, and Labour and Employment Services in providing both statistical and data processing consulting and operational services. They undertook a review of the word data processing requirements of the various branches of our department and were the ones to recommend the acquisition of computer equipment to meet identified needs.

Again, they liaise with the eight federal-provincial statistical committees that meet to co-ordinate provincial responses and input to Statistics Canada.

**MR. A. BROWN:** Mr. Chairman, the reason that I'm asking this question is that so very often you get a duplication of statistics mailed to you; one from the Federal Government and one from the Manitoba Bureau of Statistics. Now, both of them are absolutely identical and you know that they have been xeroxed. One has the stamp of the Manitoba Bureau of Statistics on it and the other one has Statistics Canada. Now, that is the reason why I'm asking this particular question.

How many reports really are just absolutely xeroxed and, really, can we justify the amount of money that we're spending when we're xeroxing so many of the reports which appear under the Manitoba Bureau of Statistics and when they really are done by Statistics Canada? That is why I would like to know how many originals do we have in Manitoba and how many are copies?

From the information that I have received then, it's a very very high percentage of these really come from Stats Canada, and all they are done is being xeroxed with the Manitoba Statistics put on them.

**HON. M. SMITH:** Well, if I hadn't known better, I would have thought the honourable member was sitting in on our Treasury Board Estimates meetings, because those were the very questions raised by myself and my colleagues.

We have asked the bureau and, in fact, found that they had already started this, to review which stats were available elsewhere and which they would provide so that there would not be duplications. We also looked at the frequency of reports going out. Some series of statistics might have been very important to send them out by monthly amounts in the initial stage; once they settle down, perhaps quarterly is enough. We may be, with some of our statistics, at a stage where annual reporting is quite adequate. So, in line with that, the MBS has already trimmed its traditional activities and made way for newer activities for the coming year; one of which will be the development of the Manitoba accounts. The other will be to further develop small area data development so that when we're doing things like Jobs Fund allocations, we can target a little more specifically to areas where unemployment is higher or where there's a special need.

They are not only checking out their own efficiencies, but they're carrying out a data needs assessment for other departments as well. They're moving more into the forecasting field to acquire more ability to forecast what is happening to the Manitoba economy and its various sectors, and this should perhaps lead us to have a more fine-tuning capacity when it comes to things like setting taxes.

I might add that we didn't find very much planning and forecasting capacity in our departments when we assumed government, and we found it a handicap when we were coming to make policy decisions, so we look forward to having a better capacity in these fields.

There is also a further development of demographic stats, which again are being fine tuned for specific departments; for something like the special needs of the Department of Health.

There is a continued development and maintenance of the Manitoba Business Register. Now, this is something that has to be kept updated. It's broader

than the sourcing directory for specific products but, as you can imagine, there are businesses forming and disappearing as an ongoing process. So keeping that register up-to-date is an important and somewhat time consuming activity.

**MR. A. BROWN:** Well, Mr. Chairman, I must say that I am pleased that the Minister is aware of the problem and that hopefully something is going to be done in this particular area because there's really very few original reports that you can find that have generated from the Manitoba Bureau of Statistics. Most of the reports that you're going to see, they have been direct copies of Stats Canada.

I wonder if the Minister could tell me who is in charge of this particular program at this time.

**HON. M. SMITH:** Yes, Wilf Falk, who's sitting over here at the side table. But after introducing Wilf, I would like to correct the impression left by the member.

I think one of the problems we may have is the ease with which things can now be duplicated and mailed out, but I assure you that if you have only received data that is a duplicate of some other of Canada's statistics, that you certainly haven't received a fair cross-section of what is generated in the MBS.

There are specific stats generated for specific purposes which don't receive as wide dissemination, but I'm sure that Mr. Falk would be more than happy to speak with you and share the lists of statistics that are available.

Just to identify a few that are Manitoba base, there's been a prices survey data, food prices data, energy prices survey and, of course, the sourcing directories which are all Manitoba based. So I think you have an impression that isn't really borne out by the facts, but I can see if you haven't actually seen these other statistics packages, that you might well have that impression.

**MR. A. BROWN:** No, I'm certain, Mr. Chairman, that I don't have all the information because I did do quite a bit of checking. Out of 57 reports that I went through, I found there was only four really that originated in Manitoba, and that's when I became really concerned about this.

Then I checked the telephone directory and I saw that we had 13 people employed in that particular department. Then I checked some of the other provinces; namely, Saskatchewan, whose telephone book I had, and I found that they only had six people employed in that particular department. So obviously something isn't quite the way that it should be; either it's not right in Saskatchewan or it's not right in Manitoba. I'm not going to say which is right or which is wrong, but anyhow you generate some concern out of this.

What is really needed in Manitoba, and in which there is not all that much information available, is in the entire farming industry, which is our No. 1 industry in Manitoba. We do not have the type of information, I would say, especially there. My colleague was mentioning that the business community, there are more studies certainly could be done in the business community because there are some stats which are required which are not available. So I would hope that this particular area would

go into different areas which are not already done by somebody else and provide the information which is required, especially in the small business and in the farming industry.

I'm sure that there must have been a number of computers and they must have been purchased by this particular Bureau of Statistics. Could the Minister tell me how many computers have been purchased and at what cost?

**HON. M. SMITH:** One of the two departmental IBMs.

Just a bit of information on the agricultural issue. The Department of Agriculture does generate some of those statistics specific to agriculture. I have here in the general statistical review that's put out by the MBS, under agricultural statistics, they do list farm cash receipts by product; farm cash receipts by crop; farm cash receipts by livestock and product; and total farm cash receipts by province. There are more specific statistics available through the Department of Agriculture.

**MR. CHAIRMAN:** 1.(d)(2) - the Member for Rhineland.

**MR. A. BROWN:** I realize, Mr. Chairman, that again you have to be careful that you don't duplicate what the Department of Agriculture is doing. However, one thing that the entire agriculture community doesn't seem to have, and something that really the Federal Government is not giving the agricultural community, is we're lacking on marketing. We need to do more in marketing. Usually the information that we get is old. It's too late to make any use of it if we do get any information on marketing. Maybe that is one particular area that I would be suggesting if we could have more up-to-date information as far as marketing is concerned, this certainly would be most helpful.

One of the IBMs that the Minister was mentioning previously, one of them is situated here and that's the only one?

**MR. DEPUTY CHAIRMAN, A. Mackling:** The Honourable Minister.

**HON. M. SMITH:** One of the two in the department is being used by MBS.

**MR. DEPUTY CHAIRMAN:** 1.(d)(2)—pass; 1.(e)(1) - Madam Minister.

**HON. M. SMITH:** I'd like to just introduce to the committee the acting Chairperson of the Manitoba Horse Racing Commission, Jan Sylvester - Jan.

**MR. D. ORCHARD:** What are you doing?

**MR. DEPUTY CHAIRMAN:** I'm pinch-hitting here. Don't get excited.

**MR. D. ORCHARD:** Are you collecting salary for this?

**MR. DEPUTY CHAIRMAN:** Sure.

**MR. D. ORCHARD:** You don't earn what you make in Cabinet.

**MR. DEPUTY CHAIRMAN:** Do you want to do it, Don?

**MR. D. ORCHARD:** Not for what you are getting paid.

**MR. DEPUTY CHAIRMAN:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** Mr. Chairman, what's the estimated handle for 1983 in the thoroughbreds?

**HON. M. SMITH:** The moderate estimate is \$41,500,000.00.

**MR. F. JOHNSTON:** \$41,500,000.

**HON. M. SMITH:** Yes.

**MR. F. JOHNSTON:** So \$41,500,000, we're only looking at the \$1 million increase over 1982?

**HON. M. SMITH:** We decided to set a fairly low estimate rather than a high estimate. It's easier to adjust it upward than downward. The tracks across the country have been experiencing a fair decline. We actually were in the middle, perhaps a little bit up in the more favoured side on the thoroughbred in spite of the interruption last year. I think we were down about 2 percent, where we were up about 25 percent in the standard racing. We thought that the 41 million was a prudent estimate. If the handle is higher, of course, both the expenditure and the revenue go up somewhat proportionately.

**MR. CHAIRMAN, C. Santos:** The Honourable Member for Sturgeon Creek.

**MR. F. JOHNSTON:** It was down closer to 10 - well it was 53 million in 1981, 53.3, so we had a drop of close to 13 million in 1982. I recognize the problems that were at the track.

What are the number of racing days for thoroughbreds this year?

**HON. M. SMITH:** 110.

**MR. F. JOHNSTON:** What are the percentages that will be paid to the purses, breeders, and horsemen?

**HON. M. SMITH:** Are you wanting the percent or the absolute numbers?

**MR. F. JOHNSTON:** The percent.

**HON. M. SMITH:** Sorry just one moment. I have the figures but not the percents. Just a moment.

Here we are. The thoroughbred racing purse support will be 2.75 percent of wagering; the breeders' awards in thoroughbred will be .75 percent of wagering; the Racing Industry Development Fund in support of purses and breeders programs will be 5 percent of Triactor and Pick Six wagering on thoroughbred races. There will be purse supports, breeder awards, sires stakes and capital support to the Great Western Harness Racing Circuit, and there will be support for purses and breeders for the harness meet equal to about 3.5 percent of wagering. There will be also be purse support,

breeder awards and capital development for quarter horse racing.

**MR. F. JOHNSTON:** Mr. Chairman, I don't want to ask the Minister to repeat anything. It's probably my fault. I was asking - I have the thoroughbred at 2.75, 1.75 and the 5 percent on the Triactor . . .

**HON. M. SMITH:** 2.75 is purse support; 0.75 for breeder's incentive; and 5 percent of Triactor and Pick Six.

**MR. F. JOHNSTON:** Are the horsemen - do they have the authority to pass any amount of that onto the track for track improvements that relate to the horseman, such as the back stretch?

**HON. M. SMITH:** No.

**MR. F. JOHNSTON:** Then, I wonder if the Minister - the handle for the standardbreds was \$2.9 million in 1981 and \$14.7 million in 1982. That was the first year of the standardbreds at Assiniboia Downs. What is the handle estimated at for the standardbred meet in 1983 and what is the percentage going to the standardbreds? I think you gave me that before but I didn't take it down.

**HON. M. SMITH:** The projected wagering of harness racing is \$70,820,000.00.

**MR. F. JOHNSTON:** And the percentage?

**HON. M. SMITH:** For the standard? This is for the upcoming year you're asking? 3.5 percent for harness.

**MR. F. JOHNSTON:** And the number of days?

**HON. M. SMITH:** 110 - the same as the thoroughbred.

**MR. F. JOHNSTON:** That 110 goes through 1983 and 1984?

**HON. M. SMITH:** No, sorry. Just wait one moment please - they're close in number but not identical. Both the meets that occur at Assiniboia Downs are for 110 days and then there are, of course, the meets out in the rural areas.

**MR. F. JOHNSTON:** Is the \$17.8 million take in the rural circuit as well as Assiniboia Downs?

**HON. M. SMITH:** No.

**MR. F. JOHNSTON:** What is the estimate for the rural circuit?

**HON. M. SMITH:** About \$1.2 million.

**MR. F. JOHNSTON:** And the days were 30 in 1981 and 33 in 1982. Has there been any increase with any of the rural circuits, or are they intending to add any, or will there be an increase in days?

**HON. M. SMITH:** We're expecting about 36 days.

**MR. F. JOHNSTON:** The quarter horse - what is the estimate on that? If the Minister wants to give me quarter horse, Assiniboia Downs and Rossburn all in one.

**HON. M. SMITH:** There's two races at Assiniboia Downs and one at Rossburn - a one-day meet at Rossburn.

**MR. F. JOHNSTON:** Have you got a handle on those? They totalled about 35,000 in '82. What is the estimate for this year?

**HON. M. SMITH:** It's difficult, with such a short period of experience, to guesstimate. I suppose one could say the same, or just slightly larger, but we can't be really more accurate than that.

**MR. F. JOHNSTON:** Do you have the percentage that goes to the quarter horse?

**HON. M. SMITH:** There's a block grant to support that rather than a percent.

**MR. F. JOHNSTON:** A block grant? The Minister said a block grant. The reason I'm asking is, under the 1980 Annual Report of the Horse Racing Commission we have a total of \$17,685 Provincial Support Programs purse supplement, etc., for the quarter horse, which is an increase of close to \$12,000 over 1981. That's \$5,500 in '81.

**HON. M. SMITH:** For 1983-84 we're allocating \$11,500 to purse support and breeders and \$25,000 to capital improvements.

**MR. F. JOHNSTON:** \$25,000 to capital improvements. At Rossburn?

**HON. M. SMITH:** Not necessarily. It will be worked with the industry. There is a rebate that they get from the total provincial tax as well.

**MR. F. JOHNSTON:** Mr. Chairman, if there's only quarter horse racing at Assiniboia Downs and at Rossburn, if the \$25,000 is not all for Rossburn, unless there's another area that is going to have quarter horse racing, some of it would be going to Assiniboia Downs.

**HON. M. SMITH:** I think we did say there would be two days at Assiniboia Downs and sometimes there are some capital inputs that are required.

**MR. F. JOHNSTON:** Mr. Chairman, I'm going to have to ask the Minister what capital will be required by Assiniboia Downs to run a quarter horse race?

**HON. M. SMITH:** So far the Downs did not require any capital. Rossburn has been the only community that has run one, but McCreary has also applied. Other smaller centres have expressed interest, so that is an amount that can be used if there are minor things that require to be done to run the races.

**MR. F. JOHNSTON:** So it's Rossburn, McCreary and any other rural area that may put in quarter horse racing or have it approved.

**HON. M. SMITH:** I might be a little cautious in saying, any other. We might find we could only, if there was a sudden burst of interest, phase them in gradually, but I would have to be advised by the Commission.

**MR. F. JOHNSTON:** I did say that might be approved.

Mr. Chairman, I am looking at Exhibit B in the Horse Racing Commission Statement of Revenue and Expenditures and Surplus for the year ended December 31, 1982. That is the second page, the Province of Manitoba Report of the Provincial Auditor. I guess it would be about three-quarters of the way through the Report.

The Racing Commission of the Assiniboia Downs or the Province of Manitoba, the Chairman received 7,000; the Commissioners received 4,000.00. There is one Commissioner, a Chief Commissioner, and there are four Commissioners. The Commissioner and the Chief Commissioner and three of the Commissioners came into office on approximately April of 1982. There is only one Commissioner that had a full year. Under those circumstances, the amount that should be paid to the Commissioners is \$18,250.00. It has, under Expenditures, Commissioners' Honorarium, \$26,750.00.

Mr. Chairman, if the Commissioners had all been there all year, it would only be \$22,000.00. The figures show \$4,750, or - pardon me - it shows - well, much more than that. It shows \$26,750, and it shouldn't be more than 22 if they all worked a full year. This past year, it should only have been 18,250.00.

I am informed by the Provincial Auditor's Department that, in December, the Commissioners paid themselves for the full year. I am also informed by the Auditor's Department that the Commissioners will not be taking any salary for the first three months of 1983. That means that they will only be receiving this year's salary. Under those circumstances, the Commissioners prepaid their salary from December through to March 1983. They are not going to be working to the financial dates of the Manitoba Horse Racing Commission which is a calendar year.

Now, if the Commissioners decide to pay themselves for a whole year right now and they did it the year after in March, somewhere along the line there is \$4,750 owing to the province. I would like to ask the Minister why the Horse Racing Commission does not pay themselves monthly as many commissions do. I would like the Minister to inform the Commission, or will the Minister inform the Commission that they put themselves on a monthly income as most commissions do and get themselves within the calendar year of this province or of this Racing Commission because, if it goes on the way it's going, somewhere along the line the province is owed \$4,750.00.

**HON. M. SMITH:** Mr. Chairman, the member may recall that the Act does give an annual stipend, not a monthly stipend, and that's the only guidelines that have been in place. We are in process of reviewing how all boards and commissions are paid, and there should be a bringing of them all into line in the fairly near future.

I would draw to the attention of the member that these amounts are a yearly amount. If they were broken down by the hour and the type of responsibility that the Commissioners have contributed to this task, this

figure would be five, six and seven times larger for this past year, because we have had an extremely unusual year and the Commissioners have given very, very freely of their time and of their effort.

One of the complexities we have had is that the Horse Racing Commission is set up on a calendar year, and the government and our department is operating on the March fiscal year. We are now looking into bringing them both in line and getting a new, more standardized way of remunerating members of boards and commissions. But this is an anomaly that exists, because that is how the Act is set up.

**MR. F. JOHNSTON:** Mr. Chairman, I can't accept that. If the Commissioners paid themselves in December of 1982 for the work they did in 1982, it doesn't matter how hard they worked. From March to the end of December, it should be \$3,000 for three Commissioners; \$4,000 for one Commissioner because he's the only one that was there all year; and it should only be \$4,750 for the Chief Commissioner. If they had paid it that way, they would have paid themselves for the work they did according to the laid-down amount of money that Commissioners and Chief Commissioner receive in the Horse Racing Commission. They should have paid out \$18,250.00. There has been \$26,750 paid to the Commissioners in 1982.

I can appreciate that they may have worked a little harder this past year or 1982. If that's the case, go to Cabinet and raise their salaries, but that is not the case. The amount of money that should have been paid to the Commissioners in the year 1982, the calendar year of the Racing Commission regardless of what the calendar year of the province is, was \$18,250.00. The Commissioners paid themselves for a full year in 1982, and the Auditor's Department, as I told you, I have been in touch with them and they say they are not taking anything for the first three months of 1983, so will they move to a calendar year and only pay themselves a total of \$18,250 for the 1983 calendar year.

The Commissioners are prepaying their salary and I ask the Minister to look into that and see that the Commissioner's salaries and income relate to the calendar year of the Racing Commission.

**HON. M. SMITH:** We have been working, along with the Auditor, most of this past year in working out the affairs of the track and he has not raised any objection to this payment. The Act itself gives an annual stipend, it does not say when it should be paid. The three months of this year that would be required to make this adjustment will, of course, be observed and when a new standardized approach to remuneration is put in place, the adjustments for the different calendar years and amounts will be very conscientiously observed and worked through with the Auditor.

I know, because we have worked so closely with the Auditor, that he didn't express any concern with this particular way of charging the expense to the last year's account. I suppose it could have been left and shown up entirely in this year's calendar year, but when your calendar years don't jibe, I guess it is a judgment call which year you're going to put the amount in.

**MR. CHAIRMAN:** The hour being 10:00 p.m., what is the wish of the members of the Committee?

**HON. M. SMITH:** Committee rise.

**HON. S. LYON:** You must be in trouble, that's why you are rising.

**MR. CHAIRMAN:** Committee rise.

## SUPPLY - ENVIRONMENT

**MR. DEPUTY CHAIRMAN, H. Harapiak:** We're considering the Estimates of Environment and Workplace Safety and Health. We're on 1.(b) Administration: 1.(b)(1) Salaries.

The Member for Pembina.

**MR. D. ORCHARD:** Mr. Chairman, it's my understanding that the Minister has an agreement with the opposition's official critic that we just ask questions on a wide-ranging number of things. Very good.

Mr. Chairman, I would like to ask the Minister if he could give me the details of the Clean Environment order that has recently been issued dealing with the ammonia emission standards at Simplot Chemical in Brandon.

**MR. DEPUTY CHAIRMAN:** Mr. Minister.

**HON. J. COWAN:** Basically by way of background for the record, the Clean Environment Commission was requested by myself to undertake a review of ammonia emissions in Brandon as a result of a series of complaints that were forwarded by different parties to this government regarding emissions and the effect they were having on residential areas and the impact they were having on the community. The Clean Environment Commission did undertake a series of public hearings and came back with a set of recommendations.

Those recommendations basically were that there should be a two part per million level for ammonia emissions in residential areas imposed. Does the member want me to go through all aspects of the order? I can go through . . .

**MR. D. ORCHARD:** Over what time period? The two parts per million?

**HON. J. COWAN:** Two parts per million over one hour; and that there be a scrubber or a flare system or other abatement procedures put in place on the low pressure ammonia system and on the new urea plant; that Simplot install and maintain an ammonia monitor in the area; and that there be a committee comprised of representatives of the community, the Environmental Management Division, Green Acres residences - I think there's an association organization there - and Simplot.

As we reviewed the order, there were three appeals that were brought forward. We discussed those appeals. We discussed the order, and our final recommendation and direction to the Clean Environment Commission was that an order be issued that would uphold the two parts per million, would allow for that level to be exceeded under conditions of plant shut-down, power failures, plant start-ups, and a couple of other specific instances. I can get the detail for the member if he requires it. I don't have it in front of me at this moment.

We added, in that instance, plant shut-downs and start-ups and power failures as being a period by which exemptions could be had. We also, while we stayed with the two parts per million level, we called for two Clean Environment Commission public hearings to be held; one in June or July, I believe, and one in October.

The first one would be to accept comments from local area residents in Simplot on how the order was being pursued up to that time. It was sort of a replacement for the committee. We had some real concerns about that type of committee being able to work effectively. We don't say that it can't work, but we did have some concerns in this instance that we didn't have enough time to really direct the type of energies and attention that would be necessary to make it work, if we did want to pursue it in that way. Secondly, we weren't certain that even if we did have that time, that we could make it work.

So, instead of going with the committee, we said we would go with the public hearing in June and that public hearing would allow for all the parties that would be affected to come forward.

**MR. D. ORCHARD:** June of 1983?

**HON. J. COWAN:** This year. And that would allow for all the parties to come forward and to present their case and it's also an opportunity for Simplot to say, we have accomplished this or we haven't accomplished another goal and to explain why.

Then we asked for another hearing to be held in October of 1983. That hearing specifically is to review the conditions of the order, such as the two parts per million, to see, if, in fact, that is a legitimate goal and objective to impose upon Simplot. We know from a nuisance point of view, it is legitimate. We know other jurisdictions have used a similar figure, but there isn't a lot of control of ammonia emissions throughout this continent.

So we are treading somewhat in new territory and we wanted to make certain that we allowed Simplot an opportunity to attempt to meet those objectives and they've indicated that they will attempt to meet them. But we also want to allow them an opportunity to come back at a later date and say, we tried to meet them and here's what we accomplished. Hopefully, they'll say, yes they did, but if they say, no, we just couldn't meet them for these particular reasons, then we're prepared to sit down and discuss why it is they couldn't meet them. That doesn't mean that they may not be continued, but it gives them an opportunity to discuss, in an open way, problems that they may have had and experienced in trying to meet those objectives.

**MR. D. ORCHARD:** Thank you, Mr. Chairman. Now, the Minister indicated that the company established an ammonia monitoring station within the residential area.

**HON. J. COWAN:** Perhaps I can just clarify that.

**MR. D. ORCHARD:** Sure.

**HON. J. COWAN:** The Environmental Management Division operates a monitoring station in the area. We



have asked the company to establish one. We have given them until January 1st of next year. It takes that long to get the equipment in place.

**MR. D. ORCHARD:** Well, Mr. Chairman, I have to admit, I am not familiar with the requirements under these kinds of Clean Environment emission orders. Is that a normal requirement? Would HBM&S at Flin Flon be required to establish their own monitoring station? It seems to me that having the offender establish his own monitoring station to prove his own guilt, as it were - let's say emission standards exceed the Clean Environment Commission order - I question whether you could legally use their information from their monitoring station as evidence for prosecution. It's self-incrimination, and I think there are laws that say you can't give self-incriminating testimony. Is that a normal procedure for the company to be required to put in a monitoring station at their own cost and operate it at their own cost?

**HON. J. COWAN:** It's an interesting legal technicality that the Member for Pembina addresses. I can indicate that there are companies that have their own monitoring stations; that they share that information with the Clean Environment Commission; that when we look at prosecutions, and we do from time to time although it's certainly a matter of last resort, but when we do that we use our own data.

In this instance, we will have our own data as well, but we felt that - actually the Clean Environment Commission felt and we agreed with them - there should be another monitor in the area and we felt that because it was monitoring Simplot emissions specifically, that Simplot should have a responsibility to bring that monitor onstream.

They argued, by the way, in their appeal that they shouldn't have to do that. One, I think they didn't believe it was their responsibility; secondly, they argued that the direction that was given was too vague as to where it should be placed and how it should be placed. It was also indicated to me - I'm not certain whether they argued - but it was also indicated to me that the time frame given in the Clean Environment Commission order was too short to get the equipment up and running because it has to be ordered in, put in place, calibrated, tested, set up.

So we did, in fact, indicate to them that we would work with them over the next little while to ensure that it was properly placed and they had some direction in that regard. We gave them until January 1st of next year, 1984, to have it in place, knowing that it would take them some time to get it in place.

I don't believe we have forced, by way of order, other companies to undertake monitoring of this nature, but we certainly have had other companies put together monitoring programs on their own, voluntarily, and share the results with us. It would have been far better if Simplot had done it voluntarily, but in fact they didn't. When I did discuss this issue with them, and when I discussed the whole issue with them, they felt that we had given them a tough order - and I think the press indicated that - we gave them some tough goals and objectives, but in fact it was livable and they would try to attain them. So I don't think we have imposed upon

them to the extent where they believe the imposition to be severe.

**MR. D. ORCHARD:** Mr. Chairman, the Minister has indicated sort of an interesting - if I read his comments right - divergence from a normal Clean Environment order. The Minister has indicated that in other potential air polluters, they have their own monitoring equipment in place. Yet, in this particular instance, they have insisted this be part of the Clean Environment order.

I guess my question would be: Were the other companies who monitor air quality in and around the environs of their plant, were they doing that as part of the normal plant operation? In other words, it was part of their operational technique. In this case, the monitoring has been required by the company as a direct result of the Clean Environment Commission.

**HON. J. COWAN:** Yes, I think that's basically correct. We have required them to do monitoring at their cost. I don't see anything wrong with that, by the way. I think that oftentimes you have to take that sort of initiative to do specific monitoring on specific problems. Certainly the industry that is causing the problem or has potential to cause a problem, and you're trying to prevent them from causing a problem has responsibility to participate in that. So it is a precedent in its own way.

The member has raised an interesting legal point which I have not heard before as to whether or not it would be self-incrimination, but certainly that is something that could be raised if that information was being used solely for the purposes of a prosecution. It is my understanding that even when we have access to other monitoring units, when we enter into a prosecution that would be the only time that it would be self-incriminating. We, in fact, use our own data.

Now there have been orders issued asking or requiring companies to do studies that cost them money; requiring companies to do studies of the environment around their area which cost them money; requiring companies to do studies of the impact of certain reductions on their emissions and their economic feasibility which cost them money. In fact, there is not much difference between a monitoring machine of a physical nature and a monitoring program of a non-physical nature. Certainly there is ample precedent for companies being required to do monitoring, although it may not have included the purchase of a machine but it certainly included the expenditures of significant sums of money on other sorts of programs. That's been a requirement in the past.

**MR. D. ORCHARD:** Could the Minister indicate if he knows the cost of that monitoring station - \$50,000.00?

**HON. J. COWAN:** In the neighbourhood of . . .

**MR. D. ORCHARD:** Approximately \$50,000.00, okay. Could the Minister indicate why the two parts per million on an hourly-weighted average basis was chosen as a maximum emission limit in this case?

**HON. J. COWAN:** Because it is, in fact, a level at which nuisance odours begin to impact upon residents in the area and it's a threshold limit, so we chose it for that

reason. It's also similar to what Alberta uses and similar to what Ontario uses and those are the only two other jurisdictions, I believe, with such limits in Canada.

**MR. D. ORCHARD:** I guess I'd have a question for the Minister, When you mention the threshold for a nuisance level, can you indeed smell two parts per million of ammonia? If you were standing in this room where there were two parts per million of ammonia, can you smell it?

**HON. J. COWAN:** It's indicated to me that you would be able to smell it; and secondly, it would start at that range to have some impact on sensitive individuals - individuals with respiratory diseases or with sensitive respiratory systems.

**MR. D. ORCHARD:** I guess that's a medical question that, indeed, probably takes a little bit of - there's a variation between people - but it's my understanding that the old administration of smelling salts, for instance, to revive a person would give you a jolt of a minimum 100 and up to 500 parts per million to revive you with, and I think that was sort of like bleeding in the old days. That was good for you; it brought you around from a stupor or whatever. Now, could the Minister indicate - he mentioned Ontario and Alberta - the standards that are presently available in those two provinces, Alberta and Ontario?

**HON. J. COWAN:** I'm sorry, I missed the last part of his question due to some other conversation.

**MR. D. ORCHARD:** It was simply if the Minister could - he mentioned Ontario and Alberta - if he could indicate the standards that are in place in Alberta and Ontario.

**HON. J. COWAN:** It's my understanding that Alberta itself is two parts per million and Ontario is five parts per million per half-hour, which then translates, according to technical advice which has been provided to me, to two parts per million per hour. I don't know why that is. I don't know the formulas that are used, but I did request that information of staff when we were reviewing this and they did indicate to me that five parts per million per half-hour is equal to two parts per million per hour. Ontario's is two parts per million.

Just while I'm on my feet, I might add to the record. I have received a note from staff that says that other companies do, in fact, have monitoring requirements in their orders. HBM&S, Inco and Shell must report the results to us. Now whether or not it requires them to have a machine in the order per se, I would have to look and see, but the fact is they must do the monitoring and, therefore, they must have machines.

So there is a subtle difference there. Perhaps the order might have been worded differently to say that they must report the results of their monitoring to us which would have left mute the requirement to buy a machine in the order, but certainly in practice would have meant that a machine would have to be required.

**MR. D. ORCHARD:** The HBM&S, Shell and others that the Minister has mentioned, would those monitoring machines be located on their property? Because in this

instance, we have got the monitoring device located some distance from the plant, as I understand it, in the residential areas.

**HON. J. COWAN:** That would be the same, yes. It would be off-property, I'm told.

**MR. D. ORCHARD:** Okay, then in this case, we are requiring the installation of monitoring equipment outside the boundaries of the manufacturing plant itself compared to other circumstances where they are within plant boundaries.

**HON. J. COWAN:** No.

**MR. D. ORCHARD:** No?

**HON. J. COWAN:** I'm sorry. In the ones that I read out, they would be off-site. The monitoring would be off-site, so it would be similar. Now I would have to check the orders directly to see if, in fact, it makes specific reference to monitoring equipment or to monitoring results but, as I indicated, that's a subtle difference and the impact is exactly the same. If you have to have results and report them, then you have to have equipment to obtain those results.

**MR. D. ORCHARD:** Now the Minister has indicated that Alberta and Ontario have two parts per million as a standard. Is that a standard enforced by the Clean Environment Commission subject to prosecution? Is this one, or is that a guideline for design, for instance, which the provinces would hope the plants could stay within?

**HON. J. COWAN:** It's my understanding that in one jurisdiction it is a regulation, and in the other jurisdiction it is a guideline. So if it is a regulation, it would be enforceable through normal action. I don't know how the guideline would be enforced in another jurisdiction, or whether or not it could be enforced, but that's my understanding. I want to be careful to say that the Ontario one is equivalent to two parts per million.

**MR. D. ORCHARD:** Is the Ontario one the one that the Minister believes to be a standard by regulation? It's my understanding that the Ontario five parts per million is a standard for design, that the design of the plant is . . .

**HON. J. COWAN:** Then Alberta would be the regulation, if that's the case.

**MR. D. ORCHARD:** Well it's my understanding that the Alberta one is a guideline. I wonder if the Minister might be able to provide clarification on that.

**HON. J. COWAN:** I'll have to double-check and get that information.

**MR. D. ORCHARD:** Mr. Chairman, I think I'd like to ask the Minister - Canada's quite junior when it comes to ammonia production, even though we have a number of plants in Alberta, Ontario and the one plant in Manitoba. United States does indeed have probably

the heaviest concentration of ammonia manufacture in the world. Does the Minister have any guidelines and emission control standards - not guidelines, but standards in this case - that are enforced on to United States manufacturers that he has for easy reference?

**HON. J. COWAN:** I don't have the specifics, but I can indicate to you in the rare instances where there are guidelines or regulations they are much, much higher, 48 parts per million sticks in my mind for some reason, but I couldn't be certain of that, but that's just to give you an idea of the magnitude of the difference. They are much higher in the United States than they are in Canada - where they exist, they don't exist very often.

**MR. D. ORCHARD:** That's my understanding as well, Mr. Chairman. The Minister has indicated that where they exist they are much higher, and that indeed is my understanding. Now that begs the question as to why we are insistent on the much tighter standard in Canada compared to the United States and if the Minister could give an indication as to why that's the case I'd appreciate that?

**HON. J. COWAN:** Probably the same reason that it's the case in Alberta or the case in Ontario, and it will most likely become the case in more jurisdictions, because that level is a level at which we believe adverse effects start to occur, whether they be nuisance or otherwise. In this instance, they are particularly nuisance effects and you want to protect the citizenry from that level if at all possible. That's what we've attempted to do here and I think we've done it in a very reasonable way.

I discussed this matter with Simplot, and I said, "If it's two parts per million, can you reach it?" They said, "We don't know if we can reach it." I said, "Can you try?" They said, "We'll give it our best shot." I said, "Is it going to drive you from the province?" "No, it's not going to drive us from the province, as long as it's done in a reasonable way, as long as the process is undertaken in a reasonable way."

They indicated to me that some of the requirements of the Clean Environment Commission order that we supported were in fact already being undertaken by them, because let me tell you if you can smell the ammonia in a residential area, you have a problem. I don't care if it's a two parts per million or four parts per million or eight parts per million or a hundred parts per million, you have a problem. You have, in most instances, a nuisance problem, but a problem nonetheless.

Simplot doesn't want those kinds of problems. Why would they? They don't want people phoning up all the time about fugitive emissions; they don't want people calling up my office; they don't want people calling up their office; they don't want people calling up the City of Brandon; they don't want people calling up the fire department. So they're going to seek to attain those objectives. And we're saying that we believe those are legitimate objectives for them to attain.

We've also said though, at the same time, let's take a look at it, try for it. Go for it. If you can't do it, then let's come back and talk about it. But in the meanwhile let's set that as a goal and objective and that's certainly

what we have by way of the Clean Environment Commission order. It now becomes more than a goal and objective when it's in the order, but we've also said to them, look, if there's a plant shutdown or a plant start-up, or a power failure, or I think there's two other exceptions of that nature, then if it's something beyond your control then let's not impose the order under those circumstances. But if it's a matter of you not having good housekeeping practices, which you say you don't want to have occur, and we say we don't want you to have occur, then we're going to go in and talk about why the order was in fact exceeded.

I think we've been most reasonable in this, and I think Simplot has agreed, quite frankly, if you read their comments and I can tell you that's exactly what was said to me by Simplot when I told them of the decision. It was exactly what was said to me by the City of Brandon when I told them of the decision. They said, that's a tough order, we're going to have to work to make it, but we're going to give it our best shot and we think you've done this in a reasonable way.

**MR. D. ORCHARD:** Mr. Chairman, I'm not arguing with the Minister in terms of the reasonableness or the unreasonableness of the order. I guess the concern I'd like to register with the Minister is that we don't run into a situation where naturally we set a standard under a Clean Environment order, which, when exceeded, triggers a fine of - well, I guess the fine levels are minimum \$500, maximum \$5,000 per occurrence, and . . .

**HON. J. COWAN:** It doesn't automatically trigger it though. It allows for that action to be taken.

**MR. D. ORCHARD:** I appreciate what the Minister's saying. Just simply exceeding the two parts per million guideline on a weighted average hourly basis does not necessarily trigger a fine, but certainly strict adherence to the Clean Environment order would allow that.

**HON. J. COWAN:** That's right.

**MR. D. ORCHARD:** So that fine structure is indeed there, Mr. Chairman. To date, unless something changes on the 49th parallel, there is indeed a very free and open exchange of anhydrous ammonia between manufacturers in the United States and manufacturers in Canada. Now the producer, shall I say, in Manitoba, is perchance from time to time under competitive forces, market forces which dictate more its viability and its economics than do the technical capability of the plant.

What I am saying, Mr. Chairman, is that should there be a manufacturer of anhydrous ammonia in the mid-western States hooked on to lower priced gas, natural gas, or with economies of scale where it's a thousand-tonne-per-day plant instead of a 300-tonne-per-day plant as is the case here, that there could be circumstances where the economics of production are getting very very close.

I wouldn't want to see, and I know the Minister wouldn't want to see an imposition of a Clean Environment order, and particularly in view of the fact that the Minister has indicated, and it's standard knowledge, that the manufacturers in the United States

are not operating to these kinds of Clean Environment Commission standards, the two parts per million. The closest one that I'm aware of in the United States as a standard is 46.8 parts per million — (Interjection) — the Minister was very close, and that's in the state of Connecticut where they've set that standard and I suppose it's fairly easy for them to set a standard on ammonia emission from a manufacturing plant, because they don't have one.

I only want to register with the Minister the concern I have that we don't overly regulate the industry in Manitoba when it has to compete in an international market and must sell in a very competitive market - and the Minister seems to me to be indicating in terms of the Clean Environment Commission - that the two parts per million is recognized by all sides to be a very stringent standard, that it's tough to meet.

It seems to me that the Minister is saying that at the end of June or the end of October indeed, if the company finds that under their best operating shot - and I think we have to be fairly reasonable here - that they're going to try to make their best operating shot. Because any time you've got ammonia in the air, you haven't got anhydrous ammonia in the storage tank to sell to the customer. That's a direct loss and it's a direct loss in terms of a cost, I'm guessing, of \$150 per tonne manufacturing costs. So no company wants to have the air flooded with anhydrous ammonia. There is no question about that.

So I am hopeful that, when the Minister indicates that this standard is tough, we're trying to make it tough enough to protect all parties, but if one of those parties, namely, the manufacturer finds it physically impossible and presents the Minister and the Clean Environment Commission with some very valid and real reasons in terms of economics of production that they cannot come within that two parts per million, that both the Minister and the Commission would listen very intently to those arguments.

Because, Mr. Chairman, I think the last thing we want to do is ever have a circumstance where we regulate a producer out of business in Manitoba and have our product brought in from Alberta where, it's my understanding, that the two parts per million is a guideline and not subject to fine or enforcement but a guideline, or indeed from the United States where within 175 miles they can truck in ammonia from the end of a pipeline that's hooked on to 2,000 tonne-per-day plants. That's tough competition, and we want to keep the employment in Manitoba. It uses our electricity. It uses our labour force. It uses our maintenance crews. It uses all of the sales personnel out of Manitoba.

I think the Minister, as well as everybody in this Chamber, is indeed concerned on both sides of the coin. We don't want a polluter to keep on existing, but indeed we don't want to add the proverbial straw to the camel's back that may indeed shut down any other industry in the Province of Manitoba that's providing very real benefits in economic and employment terms to the Province of Manitoba.

**HON. J. COWAN:** If I can just make a few comments on those remarks. One, I agree that if at all possible we want to maintain this industry here. I don't know if I agree if it's the last thing we want to do, to drive

an industry away because of regulation. It's certainly not a preferred course of action but, if the regulation is such that it is necessary to protect society and the industry can't meet the goals and objectives, then we have a very difficult choice indeed.

In this particular instance, the two parts per million is not recognized as a health hazard. It is recognized as a nuisance hazard. It is in keeping with the other jurisdictions in Canada, the two others that have it, whether it be guidelines or design capacity objectives. The fact is, they think two parts per million is a good objective as well. The fact is that we think it's a good objective, and we want to see if Simplot can reach it. We have tried to arrange the order in such a way as to allow them an opportunity to give it their best shot and then come back and say to the Clean Environment Commission, not to me, this is what we have tried to do. This is what we accomplished. Hopefully, they will have accomplished the two parts per million but, if they haven't, they then have an opportunity to say, this is why we didn't accomplish it. The Clean Environment Commission can take that under consideration, can make their order and it can be appealed. It can follow the whole process again.

Hopefully, that won't be necessary, but I can agree with the member opposite that we want to do two things. We want to provide reasonable regulations, and we want to do so in a way that protects the public health. I think with this order we have been able to do that, at the same time acknowledge that we're in somewhat of a new area here and it's going to take some time to see if in fact they can reach it.

The member said that they want to reach it because, if it's in the air, it's not in the tank. If it is not in the tank, it's not part of their profits, and that's exactly true. One has to as well realize that the total cost of this order, and I could be off by a significant amount here, but I think the comparison I'll give you will show you that in the proper context, it's not an expensive order that's going to drive them out of business. The total cost of this order is 200,000 roughly. Let's say it's 250; let's say it's 150; let's say it's 300,000, or let's even say it's half-a-million. Now I haven't heard anyone say it's half-a-million. I have heard most people say it's going to be in the area of 200,000.00. That includes the abatement procedures, the flare system, the monitoring, the cost of hearings, everything else. That's a guess.

They have just undertaken an expansion there that is a multi-million dollar expansion. Perhaps the member for the area could tell me. It's \$12 million and . . .

**MR. D. ORCHARD:** 33.

**HON. J. COWAN:** \$33 million. So even if it was \$330,000, it would be a small percentage of \$33 million.

Now one wants to, you know, use those figures carefully because \$330,000, whether it's part of a \$500,000 package, or a \$5 million package, or a \$50 million package, it's still \$330,000.00. But in the proper context, it is not a lot of money compared to what they are doing to increase their production in the area. I've spoken to them in those terms as well. It's not a significant amount of money in comparison to that activity which they are doing to make a better product and to have a more efficient operation.

Some of the abatement procedures which we have discussed, by the way, will help them have a more efficient operation, cutting down on fugitive emissions from leaks, having refrigeration systems that help maintain quality over any other emissions and a number of areas that are pollutant abatement programs but also increase production. So I think that, all in all, they've shown good will in wanting to proceed with getting the emissions down to the lowest possible level.

I wish them luck. I hope they will do that, because it makes my job easier. It makes their job easier and it makes the quality of life better.

Now having said all that, I want to address the issue of driving business from the province. One of the difficulties with this particular operation is, an operation went in and then residences, if I understand the situation correctly, went up around it. There is a very strong land-conflict use there. That's what we have to avoid in the future. We have to get a bit more of a planning

**HON. L. EVANS:** Residents were there before.

**HON. J. COWAN:** Residents were there first — (Interjection) — however it developed, the fact is that there is a land-use conflict there. We have to avoid those in the future, because what we're saying is the emissions should not exceed two parts per million in the residential area, and that's what we would always say. If there were no residents for a mile around, then it would be very unusual for the emissions to reach, you know, two parts per million in that area. The fact is, everything is so very close here that you have difficulty.

So one of the things that we have to do in the future is make certain that we have better planning for the use of our land to avoid these sorts of conflicts. I know it's a goal that the members opposite share with us.

**MR. D. ORCHARD:** No question, Mr. Chairman, that's a goal we always share. As is often the case though, the capital investment and the hearing costs, etc., are a small part of the potential future cost because, if the Clean Environment Commission wished to be, let's say, exuberant, every time the two parts per hour is exceeded, there could be a minimum \$500 fine and the maximum \$5,000, and that can add significantly to operating costs, as I'm sure the Minister would appreciate.

One more question for the Minister, if he might. Can the Minister indicate whether the OSHA standard for workplace exposure to ammonia levels for an eight-hour day, five days a week, for over a working lifetime is not to exceed 50 parts per million on a continuous basis and the alert level is 25 parts per million?

**HON. J. COWAN:** I would imagine that he's reading from some documentation and I will accept his figures. I'll also say that in almost every instance environmental standards are considered to be appropriate at much lower levels than workplace standards. That's a standard rule. I've just gotten information that the member was right in his assumption that the two parts per million in his statement, the two parts per million in Alberta is a guideline and that Ontario's is a design

regulation standard, but it should be noted that Ontario has no ammonia plants, such as Connecticut.

**MR. DEPUTY CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** Thank you, Mr. Chairman. I have a brief question for the Minister. I'm sure he knows what it's about and I'll briefly describe it for the record.

There is a wading pool situated on a river a mile and a-half or two out of Cartwright that was built by the Kinsmen in the area. There is a regulation in place, which I believe our government put in place, that requires that this wading pool have, I believe, it's a six-foot fence around it. It's probably measured in meters now, but it's roughly a six-foot fence and that there be an attendant full-time. The pool is located within perhaps 15 yards of the river, and the situation of course is that people may be exposed to the natural hazard of the river and it's not necessary to have it fenced or to have anyone present. Small children could only get to this area by having adults take them there and presumably they could easily be present, as well, to oversee them while they're there.

The situation is that if this fence doesn't go up and if the attendant isn't hired, then the wading pool is going to be shut down. I think the situation has reached an impasse. I've brought it to the attention of the Minister and I'm wondering if the Minister sees any way through this problem, which seems to defy a bit of common sense, when one confronts it face to face.

**HON. J. COWAN:** Well, I will agree with the Member for Turtle Mountain that it is a problem; that in fact in isolation does defy what one would term common sense. I'm having a real difficulty with it since the member has brought it to my attention. Perhaps I can explain to him the dilemma.

Firstly, there is no provision in the regulation for an exception; that's the first dilemma. However, that can be overcome by amending the regulation. The real dilemma is, let us say, that we remove the requirement for the attendant. I'm not so certain that you should remove the requirement for the fence, because a wading pool does have a certain public attractiveness around it that the river might not. In other words, a young person, a young child would figure they could handle the wading pool, but maybe not handle the river, so they wouldn't go near the river but they might go in the wading pool. They might fall down, they might hit their head on the concrete and that's part of the problem, and then we would have a fatality. We would have an inquest, which I'm certain would censure everyone, myself included, and everyone who promoted the fact that there shouldn't be a fence there. So I think there's probably recognition that there should be a fence and that it should be posted.

I've discussed this with staff and we're still discussing it as to whether or not there should be an attendant. They are of the opinion that from their experience the attendants do provide a service and they're probably right; the attendants do tend to prevent accidental drownings and they're probably right there as well.

The real difficulty though is if you have the attendant there, you're not going to have the wading pool, because

as the member indicated, the wading pool is going to be shut down. So what you're going to have is any young children there being forced to take the second alternative, which I would think and I don't know the area, but I'd ask the member - I would think the river is probably more dangerous for young children than is a wading pool. So if you have the wading pool shut down, you're forcing children into a more dangerous situation.

By the way, if you have the fence around there and the children get out there without their parents and can't get access inside, you're still forcing them into the river and that's a problem as well. So there is a dilemma and it's one which I have given a lot of consideration to in respect to how to solve it. Quite honestly, I tend to agree with you that the regulation doesn't make a hell of a lot of sense when it comes to that sort of a situation.

On the other hand, what if we were to amend the regulation so as to provide for an exception, had that exception put in place, and we had a fatality there? I mean, did we make the right decision? It's one of those things that tests all of us to come up with creative and innovative solutions. I just haven't done that yet, but what I would ask the member, because he's more familiar with the area and the situation, is if there was a requirement for a fence, which would have a gate and a latch higher than a child could use without assistance from an adult, and it was posted clearly that any children in there would have to be under parental supervision, would that satisfy some of the difficulties that he sees being imposed by this particular regulation?

**MR. B. RANSOM:** Mr. Chairman, it might satisfy it. I've certainly inquired as to whether that would be the case or not. I just stress once again that this is an area that is a mile and-a-half or more from the town. So a small child is extremely unlikely to find their way to this pool without having someone, an older, more responsible person having transported them to the site. This is not in town. It's not like a pool in a playground someplace, so I think that's a fact that has to be considered. I would say, as a member of the opposition, it's perhaps not that easy for the Minister to say so. I think that we go overboard in trying to protect people from all eventualities. No one wants to see an accident happen, of course, but there finally has to be a limit to where common sense has been exceeded to the point where everybody has to say, stop, this has just gone too far.

I'm sure you could take 100 people through that area, show them the river, and show them the wading pool and explain the situation to them and I'm sure that almost to a person, they would say that this is regulation "gone wild." So all I can say is I hope that there's some kind of reasonable solution that can be worked out in this case.

**HON. J. COWAN:** I agree with the member opposite that regulations, when they're developed and imposed in such a way as to cover all circumstances within allowances for exceptions, where those exceptions are warranted, can create difficulties like this. I just asked them why they didn't have a clause in there that would provide for an exception, but that's neither here nor there at this point because if it's necessary it can be put in by way of amendment.

But the real difficulty is there are two hazards here. That's a real difficulty. You know, if it was a wading pool 1.5 miles or 1 mile down the road where there was no water nearby, then it would be a somewhat different circumstance than a wading pool where there is water nearby, because what you have is two attractive hazards. You can force an individual to use one of those, what I think is more hazardous attractions by imposing the regulation and in that way the regulation doesn't make sense because it's working at counter-purposes to its intended purpose of protection.

In other words, if you fence the area off and have to have an attendant there, or fence the area off and not even have an attendant there, you may be forcing people into the river when they would be much better off in the wading pool. If you have to have an attendant there and he closed down the wading pool, then you certainly are forcing people into the river when they might be better off in the wading pool.

So it's a situation that is complex. It's one which I wish to indicate to the Member for Turtle Mountain is still under active consideration. I've had some recommendations. I want to review those recommendations and attempt to find a solution to it which will solve a problem which we both acknowledge exists.

**MR. DEPUTY CHAIRMAN:** The Member for Tuxedo.

**MR. G. FILMON:** Thank you, Mr. Chairman.

As I indicated, prior to our adjournment for Private Members' Hour, there was another area that I wanted to explore to some extent with the Minister that has to do with his new permit system for mosquito control.

I wonder if the Minister can indicate how he expects this system to work in terms of timing analysis, evaluation by the authority and so on, so that we have some idea as to the responsiveness, shall we say, of the permit granting process to a need should it arise?

**HON. J. COWAN:** Well, perhaps I can give you the broad parameters. We'll have to discuss the detail another time for this reason. As you are aware we have struck a committee comprised of representatives of the Department of Agriculture, the Department of Health, and the Department of Environment Workplace Safety and Health, which are what I believe to be the three main components within the government system, the three major interest departments within the government system.

On that committee as well will be representatives of the university. They will be there to provide technical and professional advice. We are working through the Government University Liaison Program to get a representative.

As well we've asked for a representative from the Union of Manitoba Municipalities and from the Association of Rural Municipalities to sit on that committee. We are going to ask the committee to make recommendations for the permit system. So the final details of the permit system will in the large part rely upon the recommendations of that committee.

It has been struck so as to allow for the most responsive and efficient permit system. We've tried to get all the parties, all the key actors involved to sit

down and hopefully by way of consensus come forward with a permit system. But we are giving them some general direction.

The one direction is that we believe larviciding should be key, if not a prerequisite, and we're not saying that it must be a prerequisite at this point, we want them to review that. But we're making a very strong statement in respect to larviciding; we believe that larviciding is a key component.

We have just announced as a government that we will be spending several \$100,000 to assist municipalities this year in two ways. The municipalities that already have larviciding programs ongoing will be asked if they want to have some of that money to be used towards staff to assist and to expand with larviciding programs. That's about four, or five, or six municipalities, seven municipalities in the province that have larviciding programs ongoing from Winnipeg to Pinawa; there's Brandon, Gillam, and a number of other communities spread out through the province.

We're also offering assistance, monetary and financial assistance, to them to map mosquito breeding grounds, because the larviciding program is not really going to be efficient unless you can, in fact, get the grounds mapped so that you can go in in a very efficient way, and a continual way, and spray those areas that need spraying, but as well get rid of those breeding areas that can be gotten rid of, such as old tires, and containers that collect water.

So we've gone beyond the strong statement which I indicated in this House - it was indicated the day after that we are providing money, and a significant sum of money, \$324,000, towards that programming which we believe will provide long-term benefits to the municipalities that undertake larviciding programs in the future. So we're saying that.

We're also saying that the permanent system should address a buffer zone. That's been a question of contention as to what sort of buffer zone one would want to have. The reason I made the strong statement that I made in this House, and outside of this House, is that the City of Winnipeg in their own assessment indicates that the spray, when they're doing their program, travels 90 some metres.

The member shakes his head. That was in their document which they presented to us. It said that there is spray of 90 some metres. I can get the exact reference if necessary, but certainly I can confirm that is in that document. So if you want to protect people, who don't want to be sprayed, then you're going to have to give them at least a 90-metre buffer zone. 100-metre was the one that was used previously by them for the purposes of protecting those individuals. It was originally their buffer zone and then they changed it.

So we've made a strong statement, because we believe individuals that don't want to be sprayed in residential areas and in times of non-epidemic emergencies should not be sprayed.

If there is an emergency, then one has to resort to massive spray programs to prevent an encephalitis epidemic and no one has argued with that. I've never argued with that in the past. I didn't criticize the government; I did not criticize the government when they did it; I would not be critical of our government if they did it. I've said that it should be accompanied by monitoring programs and testing programs to test

its effectiveness and to test its results in the environment. That is what we would undertake if, in fact, we had to resort to that sort of a program.

I just want to outline the other trouble basics of the permit system and then I'm certain the member will have a response.

As well the permit system should provide for evaluation. Some evaluation mechanism.

Finally, the permit system should provide for some appeal. Quite frankly there's been a lot of ballyhoo about the Minister having the final authority in the appeal. I wouldn't recommend that quite frankly at this stage unless I was convinced that it was the only way to go by compelling arguments, because I think Ministers are just too involved in other things to have to look at appeals for permits all over this province. It would be time consuming and there are probably other that are more qualified to look at appeals. Maybe a board of some sort; maybe the commission I don't know - one would have to see what sort of workload it was. I certainly would not recommend doing that at the stage that the final appeal will be lodged in the Minister's office, but that may be necessary by way of regulation, or by way of legislation, or regulatory procedures. I don't know, but I would consider it to be a less attractive alternative.

**MR. G. FILMON:** Mr. Chairman, what I guess I'm after is something more specific and I'll try and be more specific.

In following through on the Minister's comments I think that larviciding has always been a preferred alternative, certainly as far as the City of Winnipeg is concerned. I am not as familiar with the processes that other municipalities and other municipal jurisdictions have carried on, and I see that as not being a change with respect to anything that's been done in and around the City of Winnipeg.

When I was shaking my head when the Minister said 90-some-odd metres, it says indeed in the Minister's own news release - he quotes from the City of Winnipeg Report - "effective against mosquitoes up to 90 metres," so that put the question in my mind, then why make it 100 metres? If it is up to 90 metres, why not make it 90 metres? Thirty feet is 30 feet as far as I am concerned.

I know the great difficulty they have in the City of Winnipeg is determining when they know that there is a house on a block that has protested and they really get within a block of it sort-of-thing, and then people are operating the equipment, they are covered themselves, and they can't get out to check, is this 896? In some blocks the numbers go up by four and in some blocks they go up by two, and some blocks they jump all over the map. Consequently, to avoid any possible dispute, they leave out huge spaces. That's one of the problems that they had and I am not advocating 30 metres, I am suggesting to the Minister that whatever he sets, it ought to be whatever is necessary and not 10 metres more, if that is the case.

The other thing that I'm after is that if they are going to have a permit system, is this going to be a process whereby every time a new application has to be brought forward every time they want to spray, or can it be that they come to the permit-granting authority and

give the circumstances under which they plan to do either ground-level fogging or whatever the case may be, the dosage that is going to be used, the method of application, the concentration and so on and so forth, the equipment to be used, and on and on and on, and they get a permit to do it under those circumstances. That permit either is applicable as long as long as they continue to do it under those circumstances, or is automatically renewable without having to go through a whole new process if they are utilizing the same procedures, the same dosage, the same equipment, the same circumstances year upon year.

What I am saying is, can we get down to a point where we don't have a huge bureaucratic process, a backlog, so that if every municipality has to go through the same process, by the time they get approval it will be too late to spray, sort-of-thing? Can we have it that once it is set up, we can make it work as quickly and as efficiently as possible, bearing in mind what concerns we want to ensure are taken care of and what hazards are prevented, and what health standards have to be met? That is the sort of thing that I am after and I hope, and I am sure that I'm expressing the views of many municipal jurisdictions who are not necessarily opposed to a permit process as long as it's one that is realistic in terms of its ability to be granted and its ability to be renewed under similar circumstances.

**HON. J. COWAN:** I think that is exactly what we are after. What we do want to make certain though is that any new information that comes to us by way of the products that are being used or the effectiveness of them, or perhaps other more appropriate products can be reviewed as well in the context of those applications, so that we are not locked into using a bad system by way of the permit continuing automatically, but as long as there is no new information that would indicate that it is the case, then there should be some way for them to continue as long the effectiveness of that is being evaluated. I think that is key.

It would certainly be up to that committee to take that sort of advice and develop a workable system. With the municipalities on there, I think you will have a workable system. That is why they were put there in the first place.

**MR. G. FILMON:** Mr. Chairman, I want to make the point that this is not exactly new ground. I mean the permit system is new ground, but the evaluation of the program, the application, the assurance that everything is safe is something that obviously those jurisdictions who were utilizing the mosquito control programs, chemically based and so on, were concerned about that and concerned about it to a great extent. It is obvious from the report that the Minister produced, or at least the Clean Environment Commission produced, that a great deal of information was being gathered by the City of Winnipeg, that they are as conscious of the criticisms as he as Minister is, and more conscious than he, as environmental critic, was, I think, a couple of years ago of just exactly what the parameters were.

I think it is interesting to quote from his colleague, the Minister of Health's news release of this week, in which he says:

"Reports on the use of Baygon showed the Manitoba Spray Program used a much lower concentration than is used in other parts of the world for insect control, and was well below levels which could pose a danger to human health.

"In data from sources outside Manitoba the report points out it was found that individuals exposed to larger amounts of Baygon recovered completely after a short period of time. There are no simple inexpensive solutions."

So these are things that have been wrestled with a great deal and I say that if the Minister, when he was in his previous role as critic, did not come out and criticize it, he certainly encouraged those who were criticizing it and sort of gave a bit of a forum to some of the views that I think were unjustifiably being given critical to the program.

I quote again from this report, which says, with respect to - I'm sorry this is not the one I want - but there is one that confirms the effectiveness of at least the program that was carried out in 1981, that it had some positive measurable effect on the reduction of mosquitoes and the reduction of the threat of western equine encephalitis by reducing the airborne mosquito population. I won't go into the detail of repeating it, but I say that this is not a problem that has just surfaced, nor are the solutions that are being talked about ones that have just surfaced.

I believe that — (Interjection) — well, there is a new angle to the method of ensuring a provincial input into the process . . .

**HON. J. COWAN:** With the assistance of larviciding.

**MR. G. FILMON:** But certainly from - yes, the assistance of larviciding, but with respect to what has been done by the City of Winnipeg, which I will submit with due respect to those involved in the Provincial Environmental Control and Management Service, the City of Winnipeg has as much experience as any jurisdiction in Manitoba and more than perhaps the provincial authorities do. So to superimpose on them an authority that makes a decision when they have more information and experience doesn't seem to me to be realistic.

I recognize the need for the Minister to try and justify his position in the role of environmental management and oversee everybody, but I say in this case take advantage of the expert advice and experience that is there and don't try and override it.

**HON. J. COWAN:** That's why they are on the committee or should be on it.

**MR. G. FILMON:** Yes. The Minister says that's why he has an expert committee so he won't have to take on that responsibility.

One final area, Mr. Chairman, that I wanted to touch on is the matter of hazardous waste treatment and disposal in the Province of Manitoba. — (Interjection) — My colleague from St. Norbert says, "Hear, hear." Of course, my response is, "Where, where?" That's precisely what I wanted to get at, the fact that here is something which, from all the news releases and publicity and propaganda that's being issued by the



government and the Minister, time and time and time and time again, talking about what is to be done with respect to the hazardous waste disposal, collection disposal, management, etc., for the province, we are not it seems to me, at the point that we were in the fall of 1981.

You know, we've in fact regressed, because we've talked around the situation and re-announced our intention to do something so often that we don't have anything at the moment that indicates that we're making any progress whatsoever. We haven't got about to getting out and establishing hearings and getting the site selection under way, getting the process selection under way, and all those things. It seems to me that this government is going to be out of office by the time something is going to be done about it and I'll welcome that opportunity to carry through the things that should be done on it, but it seems to me that there's going to be a four-year gap in the life of the development of some firm method of collection, treatment, disposal of hazardous wastes in this province, and that four-year gap will be the term of this government's office, because we are getting nowhere on it. Now I'm getting upset because this Minister, when he was in opposition, talked about it, argued about it, yelled about it, and criticized our government for not having done anything and he has done zero, except talk and hold seminars and symposiums and all of those wonderful things that cost very little money and commit nothing and accomplish very little, in terms of the real needs, with respect to this problem.

**MR. DEPUTY CHAIRMAN:** Before the Minister responds, I'd like to remind the members that we are being taped for Hansard and there's some very interesting comments being made. I'm sure he'd want to read them back tomorrow and Hansard's having difficulty taping them when the interjections are going on, so maybe wait to be recognized.

Mr. Minister.

**MR. D. ORCHARD:** I wish the Chairman would keep better control in here.

**HON. J. COWAN:** I would only wish that the Chairperson would keep better control in here. I think we should seek out that heckler and make certain that that practice doesn't continue. I'm not going to get mad.

**A MEMBER:** Oh yeah?

**HON. J. COWAN:** I found the heckler, Sir. I think we are doing the right thing. I'm prepared to stand here and support it as the right thing. I think we have indicated very clearly the way by which we seek to solve this longstanding problem. I think when we have had four years, or more, but certainly within four years of our assuming office last, we will have in place a hazardous and special waste management system, one that has been developed in conjunction with the people of this province, the parties that are going to be most affected, and one that is workable in the long term, and will most likely be around a lot longer than we are a government, although we plan on being in government for quite some time.

**MR. G. FILMON:** Don't count on it.

**HON. J. COWAN:** I found the other heckler; there's two hecklers here; there's one more to go and I'm going to find him before the night's over.

The fact is, Mr. Chairperson, that when we assumed office there had been some initiatives undertaken and when we reviewed them, we looked at them, we felt that more work had to be done of a developmental nature. That was not to prolong the agony of putting together a program because it's a difficult process, but that was to make certain that when we did have a program in place it was effective, functional, and that it worked.

We have looked at what has happened in the other jurisdictions. The ones that have moved ahead quickly, without trying to fulfil their responsibility to consult and to allow for meaningful participation by the public in projects and programs of this sort, have found that it takes longer in the long run if they try to take short cuts. And there had been very little public consultation when we assumed office. The record will be very clear on that, so we felt that we had to take a long, hard look at how we got that generated, how we got it going, how we made certain that we were developing a program that was acceptable, because if you look to the other jurisdictions, you'll find that they developed programs that were not acceptable, not because there was no acceptable program, but because they didn't take the time to consult, to talk about it, to participate it, to test new ideas, to have the dialogue which is necessary to make certain that the program is effective and acceptable. We're doing that, it's going to take a bit longer in the short term, but I think in the long run, it will have been the most efficient way to have undertaken this difficult process.

Now, he says we've done nothing. Well, the record shows different. The record shows that we have set up a plan, by which we will discuss a hazardous and special waste management program in this province in a public way. We have had a symposium, which was not a major cost item, but did cost some; but that's not the point, the point is we allowed for an effective way for the public to involve themselves in those discussions and we brought in expert people to provide the focus for those discussions, and I think that was important for all parties.

As well, we've clearly demonstrated that we are proceeding with dangerous goods handling legislation and we have had consultation with a number of different parties on that. We've had consultations with industry on it; we've had consultations with unions on it; we've had consultations with naturalists on it; we've had consultations with the professions through the university on it; and we have, in fact, tossed about and discussed a large number of ideas that will lead us to a functional plan for this province. We are proceeding with the development of that legislation. We are going to be holding Clean Environment Commission hearings to discuss the type of facility that's necessary, because I think, in all honesty, the member can stand and say when he left office there was not a firm plan as to what type of facility was needed and there still isn't, by the way.

**MR. G. FILMON:** There won't be.

**HON. J. COWAN:** Well, he says, there won't be, but there certainly, at one time or another, has to be some sort of a program. Are you talking about an extremely secure landfill site with some pre-treatment facilities; are you talking about an incinerator; are you talking about the major sort of complexes that they have in Europe?

**MR. G. FILMON:** Those are the options we had two years ago.

**HON. J. COWAN:** Those are the options that you had two years ago, sure. Well, but sooner or later a decision has to be made, doesn't it?

**MR. G. FILMON:** All right, get on with it.

**HON. J. COWAN:** Well, we are getting on with it, but it's . . .

**MR. DEPUTY CHAIRMAN:** Again, I remind you that Hansard is recording the proceedings and if we're going to have exchanges of this sort, they won't be able to record them properly; so wait to be recognized.

Mr. Minister.

**HON. J. COWAN:** Let's bring some order back in these proceedings, Mr. Chairperson.

**MR. G. FILMON:** We used to have to put up with this when McBride was in here.

**HON. J. COWAN:** Do you want us to make the decision now for a massive facility and find that we don't need it; or do you want us to proceed in a rational way, testing the different thesis, testing the process throughout and tell, by way of a reasonable decision-making process, in a short period of time, given the long period of time that the problem has existed, we'd come up with a workable solution.

I prefer the latter, and it's not because we haven't been working on the project that we can't tell you what sort of facility is needed now; it's because there is a great deal of information that needs to be gathered, compiled, and analyzed and we're doing that. I can give you a commitment that there will be a program in place by the time that members opposite have an opportunity to test the electorate, and I can assure that it will be a program that will be developed in consultation with the public, and hopefully it will be acceptable to them in all ways, but certainly will be acceptable to them in a general sense. It will be one that will stand the test of time, no matter what government is in place. I think that is the proper way to undertake an activity of this complexity.

I will also suggest to you, and this is just conjecture on my part, that we will be one of the first provinces to have a comprehensive program in place, not the first, but certainly we will be in the forefront of the provinces that have a comprehensive program in place. That will occur in spite of the fact that we weren't the front runner a year-and-a-half ago. We were in the front running, but we weren't the front runner a year-and-a-half ago.

I think we have managed to learn from the experiences of other jurisdictions and we'll continue

to learn from them and at the same time we are building a program here that will survive the test of time and that's exactly what we want to have happen.

**MR. D. ORCHARD:** I would like to ask the Minister if the - Chairman? Did I say ask the Chairman? Oh, Gary? You gave him enough of a tongue-lashing tonight, Gary. You've got him on his knees. Leave him alone now. He's bleeding bad enough. My colleague should be more careful. He causes terrible trauma over on the government side. Mr. Chairman, I would like a little order back there, please.

Mr. Chairman, I would like to ask the Minister if the department has maintained monitoring at the MacGregor spill site.

**HON. J. COWAN:** I am informed that there is periodic monitoring there. I can get the details as to how often it is for the member.

**MR. D. ORCHARD:** Mr. Chairman, I wonder if there is grass growing there, if there are birds singing there, if there is water in the wells nearby that's drinkable, or whether all of the dastardly things that the Minister predicted would happen with that tremendous environmental disaster out there at MacGregor due to the spillage of vinyl chloride, indeed come true; or whether in fact the Minister might perchance have been grandstanding just a little bit when he was in opposition and we had to deal, as government, with the vinyl chloride spill.

It would be interesting to know if grain still grows in the fields, if grass is still growing in the railroad right-of-way, and whether the people in the neighbouring areas can still drink the water from the wells and even, Mr. Chairman, I would like to know whether planes can fly over the area, because the MLA for Ellice made the most — (Interjection) — well he sat in that chair, I'm sorry.

I apologize to my colleague, the MLA for Morris. I pointed back there, because that's where the MLA for Ellice sat on that memorable evening of the emergency debate on the vinyl chloride spill, and he said that planes could not fly over there because they would explode in a great ball of fire because of vinyl chloride fumes up in the air, when in fact the vinyl chloride was heavier than air and remained on the ground and never got up into the air. But that was the kind of misinformation and opposition hype that we were exposed to during that debate on the vinyl chloride spill.

The Minister of Environment now was one of the main protagonists during the debate and it would be interesting to know, Mr. Chairman, if grass grows, if grain grows, if water is still drinkable, and if indeed the land is not a barren wasteland as was predicted during the emergency debate on the long-term consequences of that vinyl chloride spill.

**HON. J. COWAN:** For all the talking that we did on that subject, it shows that the member understands it as little today as he did then. I would only reference him to the debate that went on so that he could obtain a better understanding of the situation and then discuss it in a more realistic way.

Now in reference to planes flying over the area, it was not something I said, but I do think the member

should be aware that his government was aware and I would assume acknowledged the necessity for Transport Canada to stop flights from going over the area in some instances as a precautionary measure. It was not the Member for Ellice who stopped flights from going over the area. He was indicating that it had been done, but it was Transport Canada that put out the precaution.

Now perhaps they were wrong in the precaution. Perhaps he was wrong to bring it up here, I don't know, but the fact is that you didn't quite understand the situation correctly, but that was what had happened and I think he was referencing that as what was happening. Our concerns were primarily at that stage, ones of workplace concerns.

So we're going to disagree on it, but please let's disagree on the basis of fact and history.

**MR. D. ORCHARD:** Mr. Chairman, we could get into a rhetorical debate tonight and relive the dramatic debate of the vinyl chloride spill at MacGregor and I don't want to get into that. But if the Minister could please provide to the House at a later date whether grass is indeed growing, whether the crops are growing in the fields subjected to that horrendous environmental accident, and whether the water is safe to drink in the wells, I would appreciate knowing that.

**HON. J. COWAN:** I will provide him with the copies of the testing which has been ongoing, the monitoring which he first asked the question about, certainly.

**MR. DEPUTY CHAIRMAN:** Pass? It is my understanding now that we have come to the end of Manitoba Environment, so how will it be if you pass all of those at this time?

**MR. D. ORCHARD:** What are you called anyway?

**HON. J. COWAN:** Minister of Workplace Safety and Health in the nicer moments.

**MR. DEPUTY CHAIRMAN:** Order please.

Resolution No. 66: Resolve that there be granted to Her Majesty a sum not exceeding \$7,384,900 for Environment, Workplace Safety and Health . . .

**HON. J. COWAN:** Excuse me. Mr. Chairperson, the agreement that we had struck with the members opposite was that we would have a broad-ranging debate on the first four items and then we would pass them one after the other. I think what we have to do is go item-by-item and indicate formally that we pass it here until we get to the item entitled Minister's Salary - no, excuse me - until we get to the item entitled, Workplace Safety and Health.

**MR. D. ORCHARD:** Mr. Chairman, he's trying to slip one by you.

**HON. J. COWAN:** So we will stop on Item No. 4. We will pass Item No. 4, Manitoba Environmental Council, but I think we have to pass each item individually if I understand the situation correctly.

**MR. DEPUTY CHAIRMAN:** We're on Executive Administration, Items 1.(a)(1) and (2) have been passed;

so we're on 1.(a)(3) Other Expenditures—pass; 1.(b) Administration: 1.(b)(1) Salaries—pass; 1.(b)(2) Other Expenditures—pass; 1.(c) Community Relations: 1.(c)(1) Salaries—pass; 1.(c)(2) Other Expenditures—pass.

The resolution which I've already read out is for Environmental Management, 2.(a) Environmental Control Services: 2.(a)(1)—pass; 2.(a)(2) Other Expenditures—pass; 2.(b) Environmental Management Services: 2.(b)(1) Salaries—pass; 2.(b)(2) Other Expenditures—pass;

**MR. DEPUTY CHAIRMAN:** 2.(b)(1) Salaries—pass; 2.(b)(2) Other Expenditures—pass; 2.(c)—pass.

Resolution No. 66: Resolve that there be granted to Her Majesty a sum not exceeding \$7,384,900 for Environmental Management—pass.

Now, the Clean Environment Commission, 3.(a) Salaries—pass; 3.(b) Other Expenditures—pass.

Resolution No. 67: Resolve that there be granted to Her Majesty a sum not exceeding \$371,800 for Clean Environment Commission—pass.

Manitoba Environmental Council, 4.(a) Salaries—pass; 4.(b) Other Expenditures—pass.

Resolution No. 68: Resolve that there be granted to Her Majesty a sum not exceeding \$78,000 for Manitoba Environmental Council—pass.

Now, we'll deal with No. 5, Workplace Safety and Health.

Mr. Minister, do you have opening comments?

**HON. J. COWAN:** As I indicated earlier in the day, I would be making brief opening remarks on these particular sections for the members opposite and then we can proceed into the line by line.

We're now discussing the Workplace Safety and Health Division. I just wanted to bring you up-to-date with an overview of some of the things the Safety and Health Division has been doing over the past year and some of our thrust for the ongoing year that we anticipate to undertake. The division, of course, is in the continual process of reviewing legislation for which it is responsible and regulations to ensure that we have in place protective measures that are necessary for the safety of workers in this province. We are currently involved in the final stages of development of legislation, which was referenced in the Throne Speech, dealing with expanding opportunities for workers in this province to participate in safety and health matters.

We are also in the process of reviewing a number of regulations and developing new ones. We have approved the forestry logging and log hauling regulation as of this year and we're in the final stages of approving the roll-over protective structures regulation. The construction safety regulations and the first aid regulations, the asbestos regulations have all been sent out as a first draft. Excuse me, the construction safety regulations are still in the process of being developed by the Advisory Council. The others have been distributed for public review. The first aid regulation is in its second draft form. The asbestos regulation is in its first draft form and has been distributed. The comments have been attained and we're now preparing the second draft. The hearing conservation, as was indicated by a news release not too long ago, is in its final review process and a final draft is expected soon.

We have just undertaken what I believe to be one of the more important pieces of regulation for this province or any other jurisdiction, that is, the toxic substance regulation. It's an extremely difficult one and has been referenced in other areas as right-to-know regulations. It's one where we are charting new ground in a lot of ways, but we are in the process now where we have a first draft that should go out for public review in a matter of weeks, or a month or so at the longest.

The lead regulation is in a preliminary draft before the Health Standards Committee of the Advisory Council. The issue of working alone and any regulations is in preliminary study phases and has been forwarded to the Ministers for review by the Advisory Council. The spray painting regulation is under preliminary development at this time.

There have also been a number of codes of practice developed by the division concerning excavation and confined entry work and we're preparing ones on the safety and health representatives, forestry logging and log hauling, hearing conservation and first aid.

We're also in the final stages of preparing a newsletter which will go out to workplaces and Workplace Safety and Health Committees in the province and hope to see the first issue of that coming forward some time over the next number of months, probably within two months, if everything works out as planned.

The department has been carrying on its normal activities with a focus on training, the development of training procedures for departmental officers and training for Safety and Health Committees and other individuals interested in safety and health matters and developing consultation mechanisms to interface with industry, unions and other affected parties as we develop new regulations, legislation, programs and policy. We are quite excited about both of those areas. We believe they will provide long-term benefits to the effectiveness of the department as well as to workers who are in courses for training and who depend upon effective legislation in a workable form.

We are in the final stages of hiring a chief occupational medical officer; we've had some difficulties in that regard. We had a bulletin in the first instance. There was not a suitable candidate which came forward. We re-bulletined on an international basis in a limited way, but I think we did go outside of the country and we've had some candidates come forward. Now, one has been made an offer of employment and we're just awaiting word from the individual as to whether or not they will accept that offer. At the same time, there are others on the list that would be appropriate as well, so we feel competent that we'll be able to announce the hiring of the chief occupational medical officer in the very near future.

The department has been conducting outreach in co-operation with the Department of Education into the school system. We believe that it is extremely important that potential workers, future workers, obtain some safety and health training as part of their normal school activities and we'll be working with the Department of Education in the future to promote that idea and to develop programs which will allow for a more effective interface with teaching staff and with students in the school system.

We've also undertaken an agricultural program; we have a display promoting the program travelling

throughout part of the province now. There's a general pamphlet that's being developed in a series of nine booklets which are in the final stages of development in which agricultural concerns are addressed. A committee to advise in Agricultural Safety and Health Programs has been established and the committee will show direction, we hope, to the program in an effort to meet grass-root needs.

There are a number of other areas which I am certain the members opposite would like to discuss and I think we can do that on the item by item, but I did want to start my comments with that short introductory statement in regard to some of the more general thrust and items of interest to all of us.

**MR. DEPUTY CHAIRMAN:** The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, I thank the Minister for his opening remarks. He did deal with a number of questions that I was going to ask. Mr. Chairman, I would like to thank the Minister for arranging to send to me minutes from the Advisory Council. I would ask him to note that I have only received minutes up to the meeting of November 3, 1982, and perhaps he could arrange for me to receive the minutes on a more regular basis. I do find them helpful.

Mr. Chairman, I wonder if the Minister could explain under this item, in view of the significantly large increase in expenditures, whether there is any increase in staff man years.

**HON. J. COWAN:** Certainly, I'll attempt to explain the different categories. Firstly, I want to indicate that I will forward on to the Advisory Council the member's request for a more prompt copy of the minutes. I do apologize for that not having occurred, and I will certainly advise them that it is my direction that any individual in this House who wishes those minutes should get those minutes on a regular and consistent and timely basis. I've discussed this with them in the past, and they have certainly agreed that it's appropriate. So we'll undertake to make certain that the mechanisms to provide for that timely distribution are in place.

The 1982-83 adjusted staff years was 52 and our request is for 53, an increase of one. There are three new positions established to supplement the Educational Training Section of the Division. There are two positions that are to be deleted pending retirement of one incumbent and one Safety and Health officer position as well. So there is a repriorization to provide more of a focus on training in the department, although we have only added one staff year, one staff person, we have taken two other positions; one was a medical consultant secretary position and that person will be retiring, and the other was a Safety and Health officer position which was vacant. We are using those for training purposes and educational purposes now.

We really believe that, no matter how much we enlarge the staff of the department, we will never be able to be at every workplace on every occasion to undertake the type of activity that is necessary to provide for the protection and safety of workers. Neither would we want to be that sort of an intruding force in that way,

but what we do want to do is have Safety and Health officers available where they are needed to go in and to work with committees, to work with specific problems and to try to solve them that way.

At the same time, we want to have every worker be an inspector of their own; every worker can know their rights and their responsibilities; every employer to know his or her rights and his or her responsibilities under the legislation. That is why we repriorized and provided a stronger focus on training and education, because we believe, by getting that thrust out there into the workplaces, we will provide for that sort of mechanism and that mechanism will, in fact, serve us well over a longer period of time.

Now the increase in Salaries is accounted for in the following way: contract increments, merit increments, and one extra pay period; the increased salary cost of three new positions is 100,000.00. The reduction due to the decrease of two new positions is 87,000, and transfer toward establishment of the Deputy's Office is \$5,200.00.

**MR. G. MERCIER:** Mr. Chairman, working from memory, I believe the Minister indicated last year there were somewhere in the vicinity of 435, 438 committees in existence. Perhaps he could confirm that figure and advise as to the current number.

**HON. J. COWAN:** My understanding is that there are 363 presently active committees. Now there are 438 designated; there are 27 mines, and there are 48 where there is a representative status or the firm is closed. We hope to have many more committees operating in the future, and that is certainly a thrust which we'll be discussing in more detail over the next number of months.

We believe that the committee structure itself is one way to provide a focus for workplace, safety and health activities in the workplace. So the more committees you have out there that are active and functioning and working, the more you're going to have workplaces where there is a thrust in regard to safety and health matters in a formalized structured way; somewhere where workers can go to discuss problems; where employers can go to discuss solutions; where we can provide for an ongoing dialogue on safety and health matters and some ways by which those matters can be addressed.

**MR. G. MERCIER:** Mr. Chairman, with respect to the appointment of a Chief Medical Officer, I believe - I would ask the Minister to confirm this - Dr. Peter Markesteyn, his exact title would be Pathologist, replaced the late Dr. William Parker, has also been appointed to serve as the Chief Medical Officer in this area, I expect until the appointment of a person who will solely undertake those duties. I wonder if the Minister could explain how much time Dr. Markesteyn has been able to devote to this area of activity, in view of what I think is a great deal of responsibility that he presently has.

I would be interested, also, Mr. Chairman, in the Minister clarifying; did he indicate there were no responses to the original bulletin advertising the job? In the second bulletin, what sort of remuneration is being offered for this position?

**HON. J. COWAN:** In respect to the pathologist, he has not been able to devote much time to our activities for two reasons. One, he has a heavy responsibility load himself and, secondly, we have not wanted to get started down certain paths in significant ways before we had an opportunity to get a Chief Occupational Medical Officer in place, so we haven't been reaching out to use him either. So it's been for both reasons that he hasn't been utilized to a significant extent.

The first application or the first bulletin which we sent out resulted in two applications coming forward, neither of which we felt were acceptable. The second bulletin had 14 applications; four candidates were identified for interview; two withdrew when contacted. Interviews were held in mid-March, and we have now made an offer to one of those candidates.

The advertisement was for a salary range of \$61,000 annually.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate whether he plans on introducing any amendments to The Workplace Safety and Health Act at this Session?

**HON. J. COWAN:** I'm just checking to see the appropriate way to respond. Yes, we are intending on introducing amendments and they were one of the 30-some which were announced as being outstanding and yet to come forward.

**MR. G. MERCIER:** Mr. Chairman, late last year the Workplace Safety and Health Advisory Council held public hearings on a number of topics and among those were, I think, topics that included amendments to The Workplace Safety and Health Act. Perhaps that's the reason why I haven't received any minutes of the Advisory Council since November 3rd, but I would be interested in knowing whether or not the amendments will deal with the topic of the right to refuse so-called dangerous work.

**HON. J. COWAN:** I was just checking to see if there was any procedural difficulty in discussing the amendments in that way. I'll seek some guidance from the Opposition House Leader on this, because it's not an area in which I'm well versed, but I certainly would like to talk about them if it's not something that is going to create difficulties later on.

**MR. DEPUTY CHAIRMAN:** The Member for Turtle Mountain.

**MR. B. RANSOM:** I'm sure, Mr. Chairman, if the Minister wants to address some of the areas of concern he has, that he thinks might require legislation, that he's not going to find himself in any difficulty with the members on this side of the House.

**HON. J. COWAN:** Well, I have a concern about the right to refuse. Actually, it's been a matter which we have been concerned with for a significant amount of time.

We feel that the original amendments were well intentioned, but that there were difficulties in drafting that could be addressed to make it better understood,

more workable and for that reason, clarify it and make for a stronger provision for individuals that choose to exercise such rights under the Act.

I also indicated earlier that we certainly would hope to see more safety and health committees functioning throughout the province and I think that's something that we'll be discussing in more detail in a little while.

There's some other areas that we felt there were concerns that should be discussed in the context of both policy program and beyond that, legislative changes if necessary.

**MR. DEPUTY CHAIRMAN:** The Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, another topic that the Advisory Council dealt with in the Minister's press release and where to deal with it in the forms was the topic of Working Alone. This topic, Mr. Chairman, arose out of the unfortunate murder that took place in the City of Winnipeg a couple of years ago, that has resulted in a couple of celebrated murder trials.

Originally, as the topic developed, it concerned young people working alone at night between certain hours. I think the topic has been perhaps expanded to include people of all ages working alone at certain hours. There is some legislation that exists in other provinces, I think the Province of Alberta.

I raised this with the Minister of Labour in Estimates last year and I raised it with her this year and she indicated that this matter had been referred to this Minister and this area for review. I would ask the Minister what his views are or comments are on that particular topic and whether or not he is planning on introducing legislative changes at this Session.

**HON. J. COWAN:** Yes, I don't believe that it would be by way of legislative changes. Every indication is that it can be best accomplished by way of a regulation. That was certainly the Advisory Council's recommendation to both the Minister of Labour and myself. Maybe by way of a bit of history, we can explain where we're at today and where we'd like to proceed.

The member indicated that it resulted out of some unfortunate circumstances that brought attention to this area of concern to all of us. We asked the Advisory Council to review it. They reviewed what happened in Alberta; they reviewed what happened in the States; they reviewed what has happened in numerous other jurisdictions.

The Alberta regulation deals with young people working alone. It was their opinion and their advice to me, that this is a matter that transcends age; that it is a matter that goes beyond age. The problem of working alone is the same problem for a 40-year-old woman, a 50-year-old man, a 23-year-old man, or a 17-year-old woman - the circumstances can be the same - so they're recommending a regulation which would provide for some sort of alarm, monitoring an alarm system. Basically it would allow for a plan to be developed in conjunction with the employer and the employee; that plan to be reviewed and the plan to make certain that the employee knew how to obtain help and that there was an easily accessible way for the employee to obtain help in the event of emergency.

We're now reviewing that internally in a detailed way. I would hope to be able to send it out for discussion, as we do with all regulations, in the very near future and I wouldn't see that as being too far away in the future. I think we'll be able to do it over the next couple of months, probably in the next month, depending on how long the Business of the House continues in an intensive way for myself, and then we would get the response back and start to develop the regulation around the response. But we certainly think something has to be done and intend to proceed with a system that would, in principle, provide for a way by which an employee could know what to do in an emergency, advise someone of an emergency situation and it would certainly be my suggestion that it would apply to anyone working alone.

**MR. G. MERCIER:** Mr. Chairman, I concur certainly if there's a problem, it just doesn't apply to young people, it applies to people of all ages.

Is the Minister saying that the concept that is being worked on would require amendments to the Act in order to be able to develop regulations, or it can be developed within the existing legislative provisions?

**HON. J. COWAN:** It can be developed within the existing powers, given to the government under the section of Powers to Develop Regulations.

Also, I'd just like to indicate that in the Throne Speech we did clearly state that legislation would be introduced to strengthen the participation of working people and the development and maintenance of a safe and healthy workplace. Additional amendments to improve other aspects of Workplace Safety and Health will be introduced upon the basis of recent public hearings, so you have some idea of what is contained therein.

**MR. G. MERCIER:** Mr. Chairman, I figure the Minister in his opening remarks referred to toxic substance legislation and the right to know.

Mr. Speaker, I would be interested in knowing from the Minister whether he feels the preparation and study within his department on that topic is sufficiently advanced that he intends to introduce amendments at this Session of the Legislature on that topic. When doing so, could he indicate in what other jurisdictions such legislation exists and how they deal with that particular problem, Mr. Speaker, because I do believe that is a complex problem?

It is easy enough to say a worker should have the right to know when a toxic substance is in the workplace, but it involves identification to a fairly significant degree. I would think it requires a great deal of consultation with parties affected. I would be interested to know if any other jurisdiction has such legislation and what his intentions are.

**HON. J. COWAN:** I believe I've mentioned toxic substances control under the heading of Regulations, so we would be proceeding by way of regulation. Saskatchewan does have regulations in this area and they have found it to be a very complex matter as well, difficult to establish control and difficult to enforce control.

I believe it is extremely important to workers, to all people, that they have information about the hazards

that they may face as a result of their working life, or as a result of their participating in certain activities. It's key to being able to enforce your responsibility to refuse to work under dangerous conditions; you have to know what is dangerous and what isn't dangerous. It's key to being able to participate fully in workplace, safety and health matters, because you have to know what is healthy and what isn't healthy. Far too long, it has been the case that not enough information has been developed, that not enough study has been done on substances prior to their introduction to the workplace, and that when they were introduced to the workplace, workers were not well-advised or fully aware of the consequences of their actions as a result of working with those substances.

There are three basic rights which I believe are crucial to safe and healthy workplaces: One is the right to participate in workplace activities of a safety and health nature; the second is the right to refuse what an individual believes to be unsafe or unhealthy without fear of discrimination; the third is a right to know the hazards which confront them. So it is something which is complex, something which is difficult, something which has not been fully developed in a lot of jurisdictions. There are some states that have right-to-know legislation regulation.

However, they too have had difficulties in respect to developing it and forcing it, so we acknowledge that those complexities exist. This is how we intend to deal with them. Perhaps, the reason why we're going by way of regulation rather than legislation, because one of the anomalies is that regulation can be discussed in a much more open way in a very technical sense previous to its introduction to the House than can legislation.

What we have done is ask staff of the department to review what's happened in other jurisdictions and what they think is necessary for the provision of that right in this province. They have come forward with a draft regulation. They have discussed that regulation with the Advisory Council and the Advisory Council has reviewed it. What will happen now is we will send it out to industry, to unions, to other interested parties, to anyone who requests a copy and we will make known that there are copies available and we will ask them for their comments. Those comments come back in and we start to rework the regulation.

Then we send the second draft out and, as I indicated when I discussed the regulations previously, some are out for their first draft, some are out for their second, some are out for their third. This one may take four; I am certain that it will take at least three. It may take four and if it takes five, it's no problem, as long as we were progressing towards a workable solution to a complex problem.

In each instance, we send the draft out for further consultation, for further dialogue, for further comments, bring it back, try to rework it, until we have something that is acceptable and workable. It's a consensus building process, so you don't get a quick answer; neither do you get the extremes. What you get is something that can work and provide the basic requirements that we feel are necessary by way of regulations. So there will be an extreme amount - not extreme, that's the wrong word because it has negative connotation - but there will be a significant amount, a

substantial amount of consultation and dialogue. I would anticipate, as Minister, holding meetings with industry representatives and with union representatives as we get towards the final stages to have face-to-face comment. I would expect that the Advisory Council will be intricately involved in assisting us in that area, given their expertise.

So I think we'll have something that is workable in the end. It is going to take awhile, it wouldn't be this Session. I couldn't even indicate, in all honesty, if a year from now I had the opportunity to be discussing the same item, if I would be able to say that we had prepared, but I would be able to say we have undertaken the process and gone a certain way towards developing the regulation.

**MR. G. MERCIER:** Mr. Speaker, I am interested in knowing, for my own information, the details of the process of consultation on draft regulations, exactly who receives the draft regulations. For example, on the noise regulations, I won't ask the Minister to enumerate now the complete list of people who receive such regulations, but I would like to ask the Minister if he could undertake to supply me with a list of all of the individuals and organizations that have received, for example, those regulations on the noise regulations, so that I might be able to satisfy myself that everyone who should be getting notice of these proposed regulations is getting them.

**HON. J. COWAN:** In the past, the regulations, for the most part, have been first reviewed by a subcommittee of the Advisory Council. I am sorry the proper terminology, as they corrected me the other day is, a Committee of the Advisory Council. The committee will deal with a certain regulation and bring it forward to the Advisory Council, and they'll go back and forth a few times in most instances to get something workable and then it gets sent out to parties that have identified an interest in the area in the past and to parties whom we believe would have an interest in the area. I will get you a distribution list for the noise regulation per se and provide that to you. I hesitate to give an exact number because I just don't know, but I will get the list for you. It's easily obtainable.

In the future, we want to do it a bit differently. You might have noticed that we put out a press release on the final draft of the noise regulation. We did that because we felt there may have been people that we missed, so this is a final opportunity for them to come in and make their comments known. In the future, it will be my recommendation that as much as expenses will allow, cost will accommodate the process, that we advertise the fact that the first draft goes out and by advertisement - I don't mean radio or TV advertisements - in newspapers or trade journals or other specific publications to let people know that a review of a draft regulation is being undertaken. So we'll still send it out to those parties that have identified an interest and are known to us, but we will also provide a way for those parties who haven't identified to us their interest in this area in the past to come forward; and I think that process will enable us to get better consultation ongoing in the future, but that will start to happen now with the new regulations.

I'm not certain it would be used in every regulation because if you had one that was specific to a very small portion of the industrial society then you would want to target it into that area. Certainly on something like a toxic substance regulation or noise regulation in the future, or regulations of a general nature like that, we would have that advertisement in place so that individuals would have an opportunity to know we're doing something and come to us in case we hadn't found out their interest.

**MR. G. MERCIER:** Mr. Chairman, does the Minister follow the same process with amendments to the Act?

**HON. J. COWAN:** No, because it's my understanding that we can't and that's a difficulty. My understanding of the situation is that we can't show draft legislation until it's been introduced in this House for second reading and there have been considerable examples of where there have been criticisms of Ministers for showing draft legislation or draft amendments previous to them being introduced to the House. So the process that we have developed, in order to accommodate our desire for consultation, is to form a draft paper, sort of like a white paper, that talks about the amendments in generalities and asks for general comments back. We then, as a result of that, we'd talk about that with different groups; we would then come back and refine it down and make a less general, but still nonetheless general paper sort of targeting in to different areas and providing a list of options or directions to be discussed. We then go back and have the legislation drafted, so that we have the actual amendments and that goes through our Caucus-Cabinet process.

We would then bring it forward here for first reading; second reading, introduce it and then get it out to those parties who had been part of the ongoing consultation in the first instance or who had indicated an interest in the area. When we've talked about this matter with interest groups like that they have said that they would like to get it as soon as possible so they can have a number of days to review it, and then they come to the hearings here if they so desire and make known their comments by way of the committee hearings which we have here on all legislation of that nature.

**MR. G. MERCIER:** Mr. Chairman, I wonder if the Minister could indicate whether that procedure has been followed on the amendments that are to be introduced at this Session of the Legislature. I think it is a good practice to, as much as possible, inform both employee and employer groups and obtain as much consensus as possible in advance before amendments are made, particularly to this kind of legislation, where it has such an impact on both groups. The more consensus that can be obtained in advance the better job that can be done by this particular department, so I would ask, Mr. Chairman, if that process has been followed, and if it appears as it is, that the amendments are going to be introduced very late in the Session of this Legislature, I have to note for the record that it's going to allow for perhaps a very short period of time of consultation with affected groups; and that is not a wise practice, Mr. Chairman, and the Minister might very well want

to defer legislation if, indeed, there is not going to be sufficient time for adequate consultation, in the event the legislation obviously is going to be introduced pretty late in the Session. Perhaps the Minister could indicate when he believes the bill will be ready?

**HON. J. COWAN:** In fact, the process has been followed and, as a result of consultation meetings which have been held on several occasions with different specific groups, they have identified a number of problems in our original thinking in our broad general thinking and we've gone back to address those problems and to try to address their concerns as much as is possible and that's required us to go back and forth between the legislative draft person a bit to try to make certain that the legislation is responsive to their comments, so that's where we're at now. I believe we are in the process of meeting with a couple of groups yet on some specific items and discussing them, in a general way, to make certain we're on the right track and the rest of the legislation is being drafted right now, and then when we finalize those last two points the legislation will be, in fact, finalized and brought forward.

**MR. G. MERCIER:** Mr. Chairman, on the subject of the noise regulations, the Minister is quoted in a Free Press report of Tuesday May 3rd, as indicating that he recognizes the significant cost to industry and government of implementing the measures. Mr. Chairman, I note for the record that, I believe, it was the Minister of Labour in our government who started this process on the noise regulations, and subsequently the Minister issued a draft in the spring of 1982, I believe, and then just recently has issued another draft of the proposed regulations. I would ask him to amplify on his remarks, Mr. Chairman, where he said he recognizes the significant cost, and what sort of cost is involved in his view?

**HON. J. COWAN:** The cost involved will be in the engineering that is necessary to provide for the abatement of noise in establishments where noise are over the levels which are indicated in the regulation. There are also costs that will be associated with the purchase of protective equipment where necessary and finally there'll be cost involved in respect to testing and training of individuals who are subjected to noise. Those are the general areas of cost.

What we're trying to do is make certain that the regulation is as appropriate a mechanism as is possible, to deal with those particular problems, but it does, in fact, acknowledge that there will be costs and that those costs, in some instances, will be significant. On the other hand, the cost of hearing loss induced by noise is a significant cost, as well. I think in the long run this will provide for savings, rather than cost society and industry money in taking care of those who have lost their hearing.

**MR. G. MERCIER:** Mr. Chairman, has the Minister received, with respect to these regulations then, some viewpoints or some serious objections from employers and industries with respect to the cost and the effect of implementing the regulations on their cost of doing business, and ultimately jobs for workers?



**HON. J. COWAN:** What I would be prepared to do is to provide to you a list of the comments that we have received as a result of the two times which this regulation has been circulated and, finally, we can provide you with comments that will be received as a result of this final circulation of the regulation.

**MR. DEPUTY CHAIRMAN:** 5.(a) - the Member for St. Norbert.

**MR. G. MERCIER:** Mr. Chairman, on another subject, last July the Minister issued a press release with respect to a study to check cancer in the workplace. The Minister of Labour I think spoke on this matter to a group a few weeks ago and indicated she hoped that the government received the results of these studies before a number of the firms closed down. Later in Labour Estimates she indicated she was just referring to a couple of companies involved, Mr. Chairman. I wonder if the Minister could indicate whether those studies have been completed and are in the hands of the department.

**HON. J. COWAN:** No, the studies are not completed as of yet. It was anticipated that they would take a

total of a year-and-a-half to complete at the time we initiated them. That was in the original press release. A lot of that time was spent in developing the data base which is necessary to run the computer test.

**MR. G. MERCIER:** Mr. Chairman, I have no further questions or comments under Item 5. I would just note for the record that under Item 6 the Ministers agreed to deal with Worker Advisor Office and then while we're still under that item, it is agreed that we will deal with the Workers' Compensation Board and you'll be able to have staff available.

**MR. DEPUTY CHAIRMAN:** 5.(a) - Mr. Minister.

**HON. J. COWAN:** I just want to confirm that is correct.

**MR. DEPUTY CHAIRMAN:** 5.(a), Salaries—pass; 5.(b)—pass.

Resolution No. 69: Resolve that there be granted to Her Majesty a sum not exceeding \$2,217,200 for Environment and Workplace Safety and Health for the fiscal year ending the 31st day of March, 1984—pass.  
Committee rise.