



Third Session - Thirty-Fifth Legislature  
of the  
**Legislative Assembly of Manitoba**

---

**STANDING COMMITTEE  
on  
PUBLIC UTILITIES  
and  
NATURAL RESOURCES**

---

39-40 Elizabeth II

---

*Chairperson  
Mr. Jack Penner  
Constituency of Emerson*



**VOL. XLI No. 4 - 10 a.m., TUESDAY, MAY 5, 1992**



**MANITOBA LEGISLATIVE ASSEMBLY**  
**Thirty-Fifth Legislature**

Members, Constituencies and Political Affiliation

---

NAME	CONSTITUENCY	PARTY
ALCOCK, Reg	Osborne	Liberal
ASHTON, Steve	Thompson	NDP
BARRETT, Becky	Wellington	NDP
CARSTAIRS, Sharon	River Heights	Liberal
CERILLI, Marianne	Radisson	NDP
CHEEMA, Gulzar	The Maples	Liberal
CHOMIAK, Dave	Kildonan	NDP
CONNERY, Edward	Portage la Prairie	PC
CUMMINGS, Glen, Hon.	Ste. Rose	PC
DACQUAY, Louise	Seine River	PC
DERKACH, Leonard, Hon.	Roblin-Russell	PC
DEWAR, Gregory	Selkirk	NDP
DOER, Gary	Concordia	NDP
DOWNEY, James, Hon.	Arthur-Virden	PC
DRIEDGER, Albert, Hon.	Steinbach	PC
DUCHARME, Gerry, Hon.	Riel	PC
EDWARDS, Paul	St. James	Liberal
ENNS, Harry, Hon.	Lakeside	PC
ERNST, Jim, Hon.	Charleswood	PC
EVANS, Clif	Interlake	NDP
EVANS, Leonard S.	Brandon East	NDP
FILMON, Gary, Hon.	Tuxedo	PC
FINDLAY, Glen, Hon.	Springfield	PC
FRIESEN, Jean	Wolseley	NDP
GAUDRY, Neil	St. Boniface	Liberal
GILLESHAMMER, Harold, Hon.	Minnedosa	PC
HARPER, Elijah	Rupertsland	NDP
HELWER, Edward R.	Gimli	PC
HICKES, George	Point Douglas	NDP
LAMOUREUX, Kevin	Inkster	Liberal
LATHLIN, Oscar	The Pas	NDP
LAURENDEAU, Marcel	St. Norbert	PC
MALLOWAY, Jim	Elmwood	NDP
MANNES, Clayton, Hon.	Morris	PC
MARTINDALE, Doug	Burrows	NDP
McALPINE, Gerry	Sturgeon Creek	PC
McCRAE, James, Hon.	Brandon West	PC
McINTOSH, Linda, Hon.	Assiniboia	PC
MITCHELSON, Bonnie, Hon.	River East	PC
NEUFELD, Harold	Rossmere	PC
ORCHARD, Donald, Hon.	Pembina	PC
PENNER, Jack	Emerson	PC
PLOHMAN, John	Dauphin	NDP
PRAZNIK, Darren, Hon.	Lac du Bonnet	PC
REID, Daryl	Transcona	NDP
REIMER, Jack	Niakwa	PC
RENDER, Shirley	St. Vital	PC
ROCAN, Denis, Hon.	Gladstone	PC
ROSE, Bob	Turtle Mountain	PC
SANTOS, Conrad	Broadway	NDP
STEFANSON, Eric, Hon.	Kirkfield Park	PC
STORIE, Jerry	Flin Flon	NDP
SVEINSON, Ben	La Verendrye	PC
VODREY, Rosemary, Hon.	Fort Garry	PC
WASYLYCIA-LEIS, Judy	St. Johns	NDP
WOWCHUK, Rosann	Swan River	NDP

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON**  
**PUBLIC UTILITIES AND NATURAL RESOURCES**

**Tuesday, May 5, 1992**

**TIME – 10 a.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Jack Penner (Emerson)**

**ATTENDANCE - 9 – QUORUM - 6**

*Members of the Committee present:*

Hon. Mr. Downey

Messrs. Ashton, Edwards, Gaudry, Hickes,  
Laurendeau, McAlpine, Penner

Substitution:

Mr. Rose for Mrs. Dacquay

**APPEARING:**

Jerry Storie, MLA for Flin Flon

Charles Curtis, Chief Executive Officer,  
Manitoba Energy Authority

**MATTERS UNDER DISCUSSION:**

Annual Reports of the Manitoba Energy  
Authority for the years ended March 31, 1990,  
and March 31, 1991.

\* \* \*

**Mr. Chairperson:** Would the Standing Committee on Public Utilities and Natural Resources please come to order.

We are going to be considering this morning the Manitoba Energy Authority for the years 1990 and 1991. Did the minister have a statement to make?

**Hon. James Downey (Minister of Energy and Mines):** Yes, Mr. Chairperson, I have a brief statement to make. The individuals whom I have with me this morning are Mr. Charlie Curtis, the Deputy Minister of Finance, also is the Executive Director of the Energy Authority, and Mr. Henryk Mordarski, who is with Crown counsel, responsible for the Manitoba Energy Authority from the Crown counsel's position.

These will be the last two reports. There will be operating reports of The Manitoba Energy Authority Act as long as it is in place. It will be putting out an annual statement basically, but it is not an operating statement.

With that, Mr. Chairperson, I would like to see these reports passed. Thank you.

**Mr. Chairperson:** Mr. Hickes, as critic for the official opposition, would you have a statement to make?

**Mr. George Hickes (Point Douglas):** I would just like to say that I am very disappointed of the action of the MEA, because I am very concerned that with the dismantling of MEA that we are now only looking at energy conservation on the hydro side. We need to be looking at energy conservation and strategies for nonrenewable resources. Who will take that responsibility on? I hope to find out from this meeting.

Also, the other issue that I am quite concerned about is, a lot of the staff that were involved with the MEA, where are they at now, and if they are still part of the government? I will be asking those questions. I am very concerned about the personnel involved.

**Mr. Chairperson:** Mr. Edwards, as second official opposition member, would you want to make a statement?

\*(1005)

**Mr. Paul Edwards (St. James):** Mr. Chairperson, I believe this is a significant event, dealing with the last two annual reports of the Manitoba Energy Authority. I want to, on behalf of our party, indicate our support for the winding down of the Manitoba Energy Authority.

In particular, I want to recognize the efforts in that regard in our caucus and I believe in the Legislature at large, of the former member for Crescentwood, Mr. Carr, who on April 9, 1991, spoke in the House and outlined the reasons for the winding down, which I do not intend to reiterate here, but obviously made sense. The comments he gave I think are germane to raise again today.

Mr. Chairperson, we are pleased to see that the government has seen fit to wind down the Authority. There are other bodies in place, indeed the

department itself, which can adequately handle the mandate. We need to develop, I think, a more cohesive approach toward energy authority and energy management in this province, and this is a first step.

I think the New Democratic Party makes the mistake that more is always better. The fact is that cohesiveness, concerted policies are important, ones that recognize that Manitobans and indeed the players in the field, those who are looking to the government for guidance, need to know who speaks for the people of this province.

All you do by setting up a multiplicity of organizations that have similar mandates is confuse the issue. Sometimes that is the point of setting them up, but in this case I think the Energy Authority has served us well but has run its course. We look forward to a further streamlining of decision making so that all Manitobans, including members of the Legislature, can understand, fully appreciate the policies at work in the province.

Mr. Chairperson, that is in no way to be seen as an approval of the government's actions in this area. What it is, however, is a recognition that all Manitobans deserve to have a more comprehensible and streamlined approach to energy authority in the province.

### Committee Substitution

**Mr. Chairperson:** I wonder if I could have leave from the committee to make a committee change. What I need to say to the committee is that one of the members of the committee phoned in this morning sick and asked whether somebody else could replace her. I would entertain a motion from the committee to make the change from Mrs. Dacquay to Mr. Rose.

**Mr. Marcel Laurendeau (St. Norbert):** Mr. Chairman, I move that Mr. Rose replace Mrs. Dacquay.

**Mr. Chairperson:** Is there unanimous consent for making that change? Agreed.

\* \* \*

**Mr. Chairperson:** Are there any questions of the minister or his staff on the reports and, by the way, what is the will of the committee? Do we want to consider both of the reports at the same time, or do you want to consider them separately? What is the wish?

**Floor Comment:** Do them all.

**Mr. Chairperson:** All at the same time? Okay. Are there any questions of the minister?

**Mr. Hickes:** I would like to find out how many staff positions were involved with the MEA?

**Mr. Charles Curtlis (Chief Executive Officer, Manitoba Energy Authority):** Mr. Chairperson, the former staff of the MEA, to the best of my knowledge, have all been relocated, with the exception of two individuals, a Mr. Guemili, who is our economist. We have been actively searching for positions. He is presently being considered for two, one out of the province and one in the province. As you probably realize, we have been giving him good recommendations.

The other person was one of the secretaries. We were able to find two positions for that person at the same salary level, although not as senior positions. At the time she had declined those two. Again, I am not sure if she is now employed or not.

**Mr. Hickes:** The staff were involved, in total numbers—

**Mr. Curtlis:** I think it was 12.

**Mr. Hickes:** Out of the 12, there have been 10 that have been re-employed. Is that correct?

**Mr. Curtlis:** Yes, that is correct.

**Mr. Hickes:** Out of that 10—we will get into the rhythm here soon—the salary level of each individual, has that been maintained?

**Mr. Curtlis:** The salary level has been maintained. Two of the senior individuals who have gone to I, T and T have had their existing salary level maintained for a two-year period even though the positions that they entered into were classified at a lower level.

\* (1010)

**Mr. Hickes:** What I am hearing you say is, all individuals who were reallocated elsewhere, their salaries have been maintained at the level they were at with the MEA?

**Mr. Curtlis:** Mr. Chairperson, one individual, I am not certain about. He obtained employment outside the province, in Saskatchewan. My understanding is that it is at a relatively senior level. It is an acting vice-president of this particular corporation, and by his choice. I think the salary level is probably comparable or better, but I am not certain.

**Mr. Hickes:** I just wanted to clarify this in my own mind. When I asked the question of staff who have been re-employed, what I am referring to is within

the province of Manitoba. If I could clarify this, though, the people that were retained by the Province of Manitoba have been retained at the salary level that they were receiving under the MEA. Is that correct?

**Mr. Curtis:** That is my understanding, Mr. Chairperson.

**Mr. Hickes:** The other issue that I would like to discuss is the whole responsibility of the MEA pertaining to export sales for Manitoba Hydro. MEA had been negotiating for the Province of Manitoba. Is that correct?

**Mr. Curtis:** That is correct.

**Mr. Hickes:** Who will be taking that responsibility now?

**Mr. Curtis:** Mr. Chairperson, when the Energy Authority was solely responsible for the contract negotiations, I and several other staff members were involved directly, but at all times we included in the negotiating team members from Manitoba Hydro.

The individuals in Hydro who would now have responsibility were also involved during the negotiations that were carried out, for example, in the Ontario sale agreement.

**Mr. Hickes:** How about with nonrenewable resources? Who is doing the work on energy conservation and possibly sales for our oil wells and stuff now?

**Mr. Downey:** The responsibilities have gone to the different departments, Energy and Mines, for example, dealing with the nonrenewable resources; I, T and T for some of the activities that were formerly carried out. As Mr. Curtis has indicated, some of the staff have gone to different departments where the different disciplines fall.

**Mr. Hickes:** The reason I raise that is that the existence of MEA for quite a few years, with the expertise that was involved and with previous negotiations on behalf of the Manitoba government, the contacts and the trust relationships probably would have developed through that. With your negotiators for export sales, has some of that expertise been retained to continue on that with Manitoba Hydro?

**Mr. Curtis:** I believe it has, Mr. Chairperson. The one person who had a major role in the negotiations that did leave the Authority and has gone to Saskatchewan, as I have said, worked very closely

with Hydro people. There was a very good working relationship. The people who will be involved I am sure in future discussions and negotiations, have had the ability to work together with the former Energy Authority staff.

\* (1015)

**Mr. Hickes:** With this new team, new approach that has been developed by the government, are there negotiations ongoing now for export sales. Who has the responsibility for that?

**Mr. Downey:** Mr. Chairperson, basically the responsibility lies with Manitoba Hydro, as has been indicated by the Deputy Minister of Finance. However, any completion of any agreement, because the act is still in place, would have to be endorsed by the Energy Authority that is still there. The negotiations and the sales fall within the responsibility of Manitoba Hydro.

I can assure the member that any opportunities that are out there are being pursued by Manitoba Hydro. I believe, as well, it is a responsibility of, whether it is I, T and T, when it comes to promoting the province, or any department, that we should be identifying our strengths. One of our strengths as a province certainly is the ability to produce hydroelectric power. That is being carried out now by basically Manitoba Hydro.

**Mr. Hickes:** I would just like to follow up that comment with the whole aspect of cogeneration. I had heard talk that MEA was going to be looking at cogeneration to look at hydro, diesel, windmill factor and stuff like that to look at conserving some of our energy for export sales. Is that being undertaken now by someone else?

**Mr. Downey:** By Manitoba Hydro.

**Mr. Hickes:** Manitoba Hydro is actively pursuing that right now?

**Mr. Downey:** Yes.

**Mr. Hickes:** The other question I would like to touch on is the whole aspect of Dow Corning, which MEA was very heavily involved in negotiating, setting up. What stage is Dow Corning in right now?

**Mr. Downey:** Mr. Chairperson, the activities that were previously looked after by the Energy Authority are now being handled by I, T and T within the government. Whatever relationships had been previously there with Hydro are still there, but it is I, T and T that are carrying them out. They are still in a test situation as it relates to Dow Corning. I know

there are discussions as to future power rates and the whole expansion of the Dow Corning process.

I have had a meeting or two with the Dow Corning people. I am quite encouraged by what I am seeing. Of course, it is a major investment that we hope will take place, that will provide further opportunities for Manitoba. We are still in what I would consider a research stage as far as Dow Corning is concerned. There will be further decisions made as the research information is developed.

**Mr. Hickes:** Could the minister tell us where this researches is taking place?

**Mr. Downey:** Yes, at Selkirk.

**Mr. Hickes:** How many employees are there right now in Selkirk?

**Mr. Downey:** I am going by memory. This has very little to do with the report we are doing. In general terms, Mr. Chairperson, I think there are some 30 people who are employed at the Dow Corning operation. That is a range.

**Mr. Hickes:** The reason I raised that is that under the MEA, there were prospects of about 500 jobs being established with Dow Corning under the MEA estimates, so I was just wondering if those same levels of employment opportunities are being predicted by the new team that has been established. That is why I was raising that.

**Mr. Downey:** Mr. Chairperson, it is a research-demonstration project that is there. The Energy Authority being involved or not being involved will have no impact as to what the employment levels will reach as it relates to Dow Corning. That will be a corporate decision by Dow Corning as to the work activity that they will carry out at that site.

**Mr. Hickes:** The other thing that MEA was very heavily involved in was the whole training of the Limestone project. From my past experience, it helped a lot of aboriginal and northern people to obtain their journeyman tickets, which a lot of them are now utilizing in their own communities. With the prospect of Conawapa coming on stream in 1993, which is only a year away, who will be taking that responsibility on, or will that whole training be just abandoned?

\* (1020)

**Mr. Downey:** Mr. Chairperson, again I will make a brief comment about the past. I think that there were some good programs under the Limestone

Training activities. There have been assessments made as to those that have been effective, and I can assure him under the Conawapa Co-ordination Unit, under Manitoba Hydro, the Department of Northern Affairs and all the departments that are involved that will be in the process are in the process of developing programs that are going to be acceptable, hopefully, in concert with the native communities.

I think it is a major component of development, and that again is one of, I think, the major positive things that go along with the Conawapa activity, the ability to implement training programs for our northern people. I know how strongly the member feels about it, and his past experience.

As I have said, we believe to pick up the positives from the Limestone Training activities and enhance those, and doing it both through Hydro and through the different departments and the co-ordinating committee of government.

Let me further add that I think that we have demonstrated to date our sincerity about that whole activity when we established the agreement between Manitoba, Canada and Hydro on the North Central Hydro development. We are not abandoning or ignoring that component. That has been developed in concert with the communities of the northeast area of the province to their satisfaction, and an agreement has been signed. I would hope we could get the same kind of co-operative activities as it relates to Conawapa.

Of course, as the member knows, we need to have the project go through the environmental process, as the North Central is now going through, before a lot of commitments can be made. Again, I am wondering if the member is pushing hard now to put a training program in place prior to environmental hearings. If he put that on the record, then I would know where he is coming from.

**Mr. Hickes:** Just to clarify a few comments. When I was involved with Limestone Training employment agency, there was a lot of great success that came out of it, and also there were some failures.

There were not a lot of failures. The member for St. James (Mr. Edwards) says there were a lot of failures. If you measure success by the profit margin of the dollar, then people can say, yes, there were some failures there. If you measure success on the human scale, there was a lot of success, because there were a lot of individuals who are now

gainfully employed and have taken very responsible positions within their own home communities, where the member for St. James probably has never been, in a lot of those remote communities.

The success to those communities cannot be measured in dollars and cents. For the member for St. James, Limestone Training employment agency has trained engineers and has trained electrical tradespeople, not like his Leader said, a limestone that trained only cooks and dishwashers. Maybe if they got beyond the Perimeter they would know how much of a benefit Limestone was.

Beyond that, if you look at the success stories of individuals in northern Manitoba who have greatly benefited from it, one of the glaring errors that was made by MEA was that it was started too late. The reason I say that is that when Limestone was being built, that was when they initiated the training programs.

The training was about a year too late in starting because, when you go into a hydro project, if you look at the job descriptions and job orders, the majority of the jobs were third-year, fourth-year apprentices. There were very, very few that came in as a first-year apprentice.

I would like to ask the minister, in preparation, that Conawapa, if it succeeds the environmental impact hearings and everything else, to ensure that northerners and native people are ready for employment, because it is not wasted training. Even if you have to delay Conawapa for whatever number of years, individuals now have the skill to fill those job orders from Day One, and not have to wait a year into the project when all the experienced people are brought in from other provinces and who chase all these dam-building projects and never leave the site until the job is finished. That closes out a lot of opportunities for northern and aboriginal people.

\* (1025)

I would just like to ask the minister, in preparation, to ensure that aboriginals and northerners really do get preferential hiring and have the skills in order to come on a job site from Day One and hopefully will keep those jobs if there will be some up-front training to ensure that the aboriginal and northern people are ready.

**Mr. Downey:** Mr. Chairperson, I appreciate what the member is saying, although I do not want to be presumptuous, that we are doing it not taking into

consideration the work of the environmental process. I do not want him, the members of this committee or the members of the Legislature to say, well, it is going to proceed regardless of the hearings. That is not the case. The hearings are a major part of the whole development.

I also hear what he is saying about the training programs. It all has to be planned and organized ahead of time. When the decisions are made, regardless, the people should be preconditioned or ready to take up the opportunities.

I accept the criticism of the previous administration in not having the program in place. I should not put it that way, and I apologize to the member. It is not a criticism, it is an oversight—would we put it that way?—that they could have had the training up and running a little sooner than they had. It was not meant to be a criticism.

**Mr. Hickes:** No, I did not take it as criticism, because you know that the undertaking of the training agency was the most massive one ever undertaken probably in the whole world. We had people from all over the continent and various countries that came up to review and look at it. There was a lot of support for that.

When we look at training programs in northern Manitoba, especially right now, northern Manitoba is suffering greatly. A lot of it is the economy factor and a lack of implementation of some dollars, probably federal and provincial agreements that have expired.

If you go up into a training program, even if it is geared up for and earmarked for Conawapa, when you look at the training programs that were run under the previous training agency, most of those positions are transferable into either the home community or other northern projects of a smaller nature, or what have you. The training these individuals would receive, even if you do not go with Conawapa, will not be lost.

You know in those northern communities there is really a lack of highly skilled individuals. That is why I raised that. It is not just to look at training for Conawapa immediately but also to look at the overall northern need, for which the minister also has a responsibility as the Minister of Northern Affairs.

That is why I raised that, because he has been in northern communities. He knows the conditions of a lot of those houses and the roads and stuff like

that. It is because of a lack of skilled individuals in those communities, and that is all it is, because it costs too much to bring contractors in and out in that area.

The other question I have is: Has the minister been in discussions with Keewatin Community College, which was very heavily involved under the MEA agreement with Limestone Training when this government came into power? Has he been involved with the Minister of Education (Mrs. Vodrey) to hopefully look at training needs for future northern projects?

**Mr. Downey:** Mr. Chairperson, the Conawapa Co-ordination Unit has the Minister of Education (Mrs. Vodrey) sitting on the committee.

\* (1030)

**Mr. Steve Ashton (Thompson):** Mr. Chairperson, I just want to pursue the line of questioning raised by my colleague the member for Point Douglas (Mr. Hickes). Indeed, he has first-hand experience in terms of northern training. I think his advice to the minister and members of this committee is advice that should be heeded far beyond any of the political comments we make at times on Hydro policy and training policy.

I notice the member for St. James (Mr. Edwards), continuing in the great tradition of the Liberal Party on northern issues, knowing not of what he speaks. I would be tempted to get into a debate, Mr. Chairperson, with the member for St. James, but I think that his comments indicate how little the Liberal Party has learned in terms of the North, I think in terms of training.

We can argue back and forth, and I know the minister has put comments on the record in terms of Limestone Training, et cetera, but the fact is, it was a major step forward in terms of the skill level of northerners.

In each and every community in my constituency, and there are eight of them—they range from remote northern affairs communities, to reserves, to the city of Thompson—I run into people on a regular basis who went through Limestone Training and are continuing to use the skills that they learned in Limestone Training right in their own community, in each and every community, Mr. Chairperson.

There is a myth that is propagated sometimes. I know that the member for St. James (Mr. Edwards) seems to still be under the cloud of that myth, that somehow the training was completely ineffective in

that sense. The bottom line is, many people have used skills, many people did use it at Hydro, many others, as was very clear right from the start with Limestone Training, used it in the community. I know the member for Point Douglas (Mr. Hickes) knows full well, because that was the clear mandate in terms of that.

I want to deal with what I see as a gap between Limestone and in terms of Conawapa. I recognize that Conawapa is still subject to the environmental hearings. There are questions related to when it will be built even if it passes the environmental hearings.

I do not think it would be any surprise to anyone in this committee to suggest, and I am sure the minister would be one to suggest that in terms of Conawapa that it is actively on the agenda, certainly of Hydro, certainly of the government, has been for a number of years. I mean, there was construction, there were preliminary projects underway directly related to Conawapa. In that sense, the bottom line is, Conawapa is certainly on the planning horizon.

My concern is as follows in terms of the training, particularly when we see the dismantling of the MEA, which did have a role in terms of training. I have an interesting perspective in terms of Hydro. I was on the board for a couple of years, and I respect Manitoba Hydro, but Manitoba Hydro did not play a lead role in terms of developing the training for Limestone. It certainly worked co-operatively with the other players, but I remember some of the meetings.

I know the member for Flin Flon (Mr. Storie) will remember some of the meetings whereby Limestone Training was put in place, and Manitoba Hydro has not traditionally played a lead role. That is not its mandate, although it certainly has worked co-operatively with other partners.

I look at the dismantling of the MEA and the shifting of responsibilities. I look then at what has happened in terms of, what was the Limestone Training authority? Essentially what happened was, it was absorbed by KCC, and the member for Point Douglas (Mr. Hickes) will remember how difficult that absorption was for many people. I know many very fine people, very fine individuals quit rather than go through the changes that took place. Then what happened essentially was, once KCC had absorbed the former Limestone programs, they went and, because of budget allocations, cut



every last trades program, for example, in Thompson—every last trades program in Thompson.

These were the key components of the Limestone Training initially. They were a way of keeping alive the progress that one needs going through the various levels in apprenticeship. The bottom line is, they eliminated the apprenticeship programs. We raised our concern at the particular point in time.

I think, in retrospect, the minister himself would have to admit that was a serious mistake that occurred because of short-term financial considerations. We now end up in the situation where there really is very little trades training in Thompson and there really is in The Pas. Really the only kind of trades training that has been in place in previous years is the non-Hydro-related level of training.

I am just wondering, who is reviewing this in a planning sense. How up is the planning horizon? There are various dynamics that could see Conawapa move from the stage now where we are seeing the initial stages done, whereas my colleague points out, construction could start in 1993, and we have no trades training in place. What was there even a couple of years ago has been eliminated.

If the MEA now is not going to be involved, is someone looking at that, and are we going to see some reinstatement of trades training?

If the minister wants me to put clearly on the record what I feel as an MLA, and he sort of asked a bit of a cryptic question to the member for Point Douglas (Mr. Hickes), transposing the environmental hearings and the training. I will say quite clearly, if the minister wants a clear answer, that I believe the trades training should be reinstated—period—regardless of what happens in terms of the environmental hearings.

I believe those skills are useful whether it is in terms of Conawapa or whether it is in terms of allowing people to progress through the apprenticeship program as they were previously and being able to use those skills in other northern projects.

There are other northern projects underway at the current time. There is a continuing need in the North for trained tradespeople. If the minister wants me to put clearly on the record, and I am sure I speak for all of our northern representatives in our caucus, the bottom line is, that kind of training should be

reinstated and it should be reinstated as soon as possible.

I want to ask the minister in terms of that whether, through what previously would have been the kind of input we would have seen from the MEA, that is going to in fact happen, or are we going to have to wait for the environmental hearings? Is that the point at which we are going to see some training reinstated?

**Mr. Downey:** Mr. Chairperson, the member's comments are helpful. The member, I think, is unclear on what he is referring to, that he wants to see, regardless of whether or not it is the MEA, a training program carried out. I can assure him, as I have said to the committee as it relates to the North Central Hydro activities, that Hydro is probably more involved now than they have been in involving the community people in the work activities, and I compliment them for that. I think some things have been added in recent times, since the member's involvement on the board.

As well, the Conawapa Co-ordination Unit, which has the ministry of Education, I, T and T-I do not have the total membership before me, but it will be directed by myself as the Minister responsible for Northern Affairs and Hydro, and work in a co-ordinated way.

I appreciate what the member is saying. There is some advance training that probably could be advantageous. His comments and the member for Point Douglas' (Mr. Hickes) comments made here today will be taken into consideration as it relates to some of the things that he has seen as a member involved with the past Limestone Training programs.

**Mr. Chairperson:** Mr. Ashton, I saw that Mr. Edwards had indicated a desire to question. Before I recognize you, I thought your question before was related to the line of questioning that Mr. Hickes was pursuing. Therefore, I recognized you. If Mr. Edwards has a desire to put a question now, I would recognize Mr. Edwards, if that is the will of the committee.

**Mr. Edwards:** Mr. Ashton can go ahead.

**Mr. Ashton:** I feel I may have forced closure on myself, certainly if the minister has his way, and the member for St. James.

I just wanted to go further, as well, in terms of the whole question of potential northern employment, in terms of future projects. Once again, we had a

totally different structure in terms of Limestone. I mean obviously MEA will no longer exist for Conawapa. As the minister has said, there have been changes made within Hydro from the last project.

Limestone Training was brought in. One of the main reasons was the fact that if we had gone through the traditional system, we probably would have been seeing Limestone Training started up this year. It takes a long time through the traditional systems. This is no reflection on community colleges, but because of the structures they put in place and the kind of approvals that are required, et cetera, it would have taken a considerable period of time to put that in place. That is why that unique structure was there.

\*(1040)

There was also a review of the Nelson-Burntwood Agreement at the time, which strengthened the clauses in terms of northern and native preference. As we all know what happened was, as soon as the system was put in place, contractors found ways of getting around the system. They found the loopholes. Even though figures were certainly higher than previous dams and they were monitored and efforts were made to maintain them and they were as high as 40 percent in terms of northern content, the bottom line is, I think anybody who ever talked to anybody who worked up there knew that there were abuses.

I am wondering in that regard, and I know I expressed my concern previously in terms of the Nelson-Burntwood Agreement, the fact that it was renewed without any changes, with very little consultation in the North, if the minister can indicate who, first of all, is reviewing the question, what structure is reviewing the question of the hiring process. That includes the Nelson-Burntwood Agreement; it includes the Canada Employment Centre referral process.

Second of all, what consultation, if any, is being undertaken with northern groups and northern individuals, because they can sure tell you about the problems and probably give you a better idea than I about how to fix them?

The third is, what plans, if any, are there to revise the hiring procedures?

As much as I said before that there was progress made on Limestone, the bottom line is, there is a lot more that could be done. I am trying to get some

sense once again, since the MEA is no longer going to be a part of this, who is going to be doing this? What consultation is in place? What kind of measures are being contemplated to improve over what happened before rather than see the status quo in place or see us go backwards?

**Mr. Downey:** Mr. Chairperson, I do not disagree. The member is saying, improvements can be made. I tried to relate that in my opening comments, that we hope to take the positive activities and the ones that showed they were successful and continue to build on those, with the addition of some new activities as it both relates to training efficiencies and community involvement.

The Conawapa Co-ordination Unit are doing some of the work activity and the meeting activity. Hydro as well is doing some meetings with the community people. They are talking to them both I guess on the environmental side but also on the activity. We have, as I said, I think a practical operating activity out there now, or an experience with the North Central activity where Hydro are more involved than they have been in past activities. It will be directly co-ordinated though through the Conawapa Co-ordination Unit of government and working closely with Hydro. That is my intention at this point.

The comments made by the member and the member for Point Douglas (Mr. Hickes), because of his experience, are important. I think what we all want at the end of the day is, it is a major project, after it has gone through the environmental process and the proper things put in place, approvals given, but at the end of the day we want to maximize the employment opportunities for our northern communities. We want to have a skilled and trained work force, not only in the construction activities, but through management capabilities as well for local people, and that as many northern Manitobans as possible can get benefits from the project.

As well, I think there are tremendous opportunities for the educational facilities to play a role. I think there is a tremendous opportunity for industry in Manitoba—southern, rural, city—to play a major role. I think a project of that magnitude, the whole country will benefit. That is why it is so important to make sure there is co-ordination done, whether we are talking industrial offsets, whether we are talking training, whether we are talking a total package of opportunity.

I find, Mr. Chairperson, we may be off the topic of the two last Energy Authority reports. I apologize for that, and I would suggest that the work activity that was carried out by the MEA as it relates to training will in fact be carried out by other jurisdictions within government, mainly that part as the Conawapa Co-ordination Unit of government.

**Mr. Ashton:** Finally, I just want to indicate to the minister, and I know in the House, in our roles varying as they do between government and opposition, and he certainly has seen both sides, I have seen both sides, that this is one area where I have no difficulty. I know our northern MLAs have no difficulty, our caucus, the member for Point Douglas (Mr. Hickes), in not only providing our traditional type of advice to governments—shall we call it constructive criticism?—but if the minister wants suggestions on how to improve it, we are not going to play political games strictly to criticize the government.

I can tell the minister right now, if I had the time I could. I realize that we have other things. I know anybody who has had any experience, any contact with Hydro, could tell them a lot of things that could be done to strengthen the training, to strengthen the northern and native involvement.

I am quite willing to sit down anywhere, anytime, and I am sure anyone of our caucus who had any exposure to what happened before and tell them point by point initiatives that can be taken. When I say initiatives, I am not talking broad, sweeping things, some very practical things that could be done to make sure we build on what happened with Limestone, where there were some improvements. I can run through the list at any time. I am willing to do it publicly, privately.

The concern I have at this point in time is to make sure that we do not try and reinvent the wheel in the first stages, if Conawapa is going to go ahead, that we learn from the experience of the past. I throw that out really as an invitation to the minister, and also an invitation to come to the North, because I know a lot of people who would appreciate the opportunity to talk to him. He is in a unique role there as Minister of Northern Affairs, Minister of Hydro and the Deputy Premier. With his three different hats, he pretty well covers everything.

I would imagine, Mr. Chairperson, that with all the various different portfolios the minister has, he could probably be a committee of one on Conawapa. I

know some people have expressed concern that is essentially what is happening. He is in a position where he needs to hear the suggestion and advice. I would like to invite him at any opportunity to come to the North, and this is in a totally nonpartisan way, to be able to sit down with northerners from whom I have learned and received a lot of very good advice.

That is a standing invitation to either meet with us as members of the Legislature or to come up north and talk to people and to do it, I would hope, fairly soon.

No one can predict the future. We do not know what is going to happen with the environmental assessment or if there are going to be any other changes, although I think we have a fairly good sense of where the timetable is headed. My sense is that we do not have that much time in a planning sense with Conawapa, given the government's current planning agenda on it. I would suggest we sit down fairly soon and, as I said, that is an open invitation.

**Mr. Chairperson:** I would like to remind all members of the committee that in light of the fact that the minister is wearing numerous different hats that we keep our vision under the hat of the Energy Authority at this stage of the game and around this table. I would ask them to direct their questions and comments to the operations of the Energy Authority.

**Mr. Edwards:** Mr. Chairperson, firstly, I do not want to ask numerous questions on Conawapa as my friends have in the other party. It is no surprise that they have taken offence to some of my comments in the past and appear defensive again here today. They have a lot to be defensive about.

Mr. Chairperson, I notice the indication from the member for Point Douglas (Mr. Hickes) and the member for Thompson (Mr. Ashton) that they were successful in their training programs with Limestone. Let me just say, and I will not go into great detail, that anyone who looks at the abysmal failure of those training programs compared to what they could have been understands the failure of the New Democratic Party and their willingness to sacrifice effective training for many more people in northern Manitoba for political reasons.

By bumping that development ahead two years purely for the 1986 election, they squandered and sacrificed an opportunity which they know was there in spades. I do not think that one has to go into

much depth to understand the reality of that situation and what they did in northern Manitoba.

\* (1050)

Mr. Chairperson, I know as well that there is great division in the NDP caucus on the issue of Conawapa, and for good reason as well, because I think, as the minister points out, there is this dilemma that they face with respect to northern development in respect of respecting the environment and that process, which is a time-consuming environment which they purport to support.

At the same time they know from experience that the pushing ahead of these matters for the purposes of political reasons can and has been done in the past. They are the people who in many respects have left a legacy which I suspect this government is seeking to duplicate in Conawapa.

Mr. Chairperson, I want to ask the minister, specific to the major expenditure of the Manitoba Energy Authority in the last years, which has been the Dow Corning project, there is an indication in the report that there was to have been construction in the fall of 1991. I believe that was the indication in the 1991 report. Page 4 indicated that the ground-breaking ceremony for the pilot plant facility took place on October 15, 1990, and construction is expected to be completed in late 1991. Was it in fact completed in late 1991?

**Mr. Downey:** Yes, Mr. Chairperson.

**Mr. Edwards:** Can the minister indicate what exactly the facility that was completed is and whether or not it is being used at this point to its full capacity?

**Mr. Downey:** Mr. Chairperson, it is a test operation. There is new technology being introduced at this plant which is owned by the Dow Corning company. If the tests prove to be successful, there is a plan, following certain agreements having to be reached, to further expand it to make it a fully commercially operational activity. It has to be viable, but it is new technology that is using certain high uses of hydroelectric power, which are part of the process.

Given the fact that the demonstration project proves successful as to what it was intended to do and all things coming together, it would be expanded into a commercial operation.

**Mr. Edwards:** When might we have an answer on whether or not this is going to go forward to the development that we foresaw when we first entered this arrangement?

**Mr. Downey:** Mr. Chairperson, I have been informed that it was anticipated probably a two-year demonstration project which would continue to be that kind of an activity plant, that the plant would continue to be a demonstration project and, if successful, would flow from that a separate and new operation which we would anticipate, again having all things being considered, that it would be built here in Manitoba. That is what we have been building towards with the Dow Corning company.

**Mr. Edwards:** The annual report indicates funding arrangements over a number of years and the amounts that are to be committed and further indicates that the repayment obligations of Dow Corning are by no means secure in the sense that there are various conditions which have to be met before they repay, both in terms of the amounts that they would have to repay as well as over what period of time.

Can the minister indicate whether or not at this point it appears that Manitoba will recoup the investments that it has made, whether or not the prospect is good that in fact the repayment obligations of Dow Corning will be met?

**Mr. Downey:** Mr. Chairperson, probably to make sure that the information is totally accurate, I would think that now that it has been turned over to the Department of Industry, Trade and Tourism, some of those detailed questions relating to the current situation would probably be more appropriately asked of the Minister of I, T and T. (Mr. Stefanson). That is who now is responsible for the negotiated agreement between what was developed between the Energy Authority and Dow Corning.

I think it would be more appropriate for those questions to be put to the Minister of I, T and T.

My only comment would be one of observation at this point, not dealing with the actual agreement or the repayment, that from what I have seen and heard, I am encouraged by the activities that are going on there as it relates to the government's position. I cannot make a specific judgmental call as it relates to the agreement and the repayment and the negotiated agreement between Dow Corning and the government, which is now being handled by I, T and T.

**Mr. Edwards:** The member for Flin Flon (Mr. Storie) raised in his comments on the bill put forward by the member for Crescentwood what he perceived to be a problem, which was that other departments could not duplicate or could not take over the mandate of the Energy Authority. It has been indicated that the Dow Corning arrangement has now gone to I, T and T.

Can the minister indicate what other parts of the mandated operations of the Energy Authority have gone to other departments or to Manitoba Hydro? Can he indicate where other responsibilities have been allocated?

**Mr. Downey:** Mr. Chairperson, the additional ones from I, T and T, as I have indicated earlier; Hydro, as it relates to hydro sales, although the Energy Authority, because the act is still in place, has to endorse it because again the authority is still there under an act of the Legislature; Energy and Mines, as it relates to anything dealing with the nonelectrical activities.

The promotional side of the sale of hydroelectric power, as I said earlier, lays in two areas, with Manitoba Hydro but, also, the marketing and promotional area within I, T and T. Basically the three areas are Manitoba Hydro, as it relates to the sale of hydro; I, T and T, as it relates to Dow Corning and the promotional side of energy activity in the province; and Energy and Mines, as it relates to the nonelectrical activities.

**Mr. Edwards:** Mr. Chairperson, it is always interesting to hear the New Democratic Party, in particular the member for Flin Flon (Mr. Storie), on this issue defend inefficient government, which is what he does in his speech. He talks about the government not being able to operate and move quickly, being tied down, government tending to move slowly, and these are the reasons for the Energy Authority. He talks about the inability of government to act in the best interests of the province when it comes to utilization of the energy—that is his quote from his May 23, 1991, speech—and that the government has very little capacity remaining in the Department of Energy to do any of the things that the Energy Authority is doing or was doing.

Similar to their position on the City of Winnipeg, the New Democratic Party appears to excuse inefficient, ineffective government in favour of keeping separate organizations involved like the

Manitoba Energy Authority, which are duplicitous and in fact redundant if government is doing its job.

\* (1100)

They do not say government should improve. They do not say government should become effective and efficient. What they say is, let us just create more levels to do the same thing. It is interesting that the defence of the Energy Authority is a criticism of government, in fact, for not doing what it is supposed to be doing.

The member for Flin Flon also indicates, in response to the member for Inkster, he wants to teach us a bit of experience about government. Well, if the member for Flin Flon's governmental experience is lacking on my part or on the member for Inkster's part, I will accept that criticism gladly. I hope never to have the government experience that the member for Flin Flon had as an inefficient and ineffective government. He certainly wrote the book on that, Mr. Chairperson.

In the last year, since the Energy Authority has been transferred to the other departments, what has the experience been in the sense of the ability to carry out the mandate of the Energy Authority? Has there been a working group in place which is overseeing that? Has this been the subject of discussion at the cabinet level to ensure that the mandate is effectively dealt with in other areas?

**Mr. Downey:** Mr. Chairperson, I guess the member is giving me the opportunity to judge the operations of government. I would just say that in my term as the Minister of Energy and Mines that to date I am satisfied that the areas of responsibility that were previously with the Energy Authority are being carried out and handled responsibly, that there is a capacity within the different departments to do so.

The discussion and comments as they relate to the Conawapa-Hydro training program, we are in the process right now of looking at. Again, I do not want to be sitting here in committee saying that we are going forward with a Conawapa training program when in fact we have not done the environmental work.

I am listening to what the New Democratic Party are saying though. They said that they should have probably started their Limestone Training program a year earlier than they did, and of course that, I said, was worthy of paying attention to. Again, I do not want to put myself in a position for open criticism as

to advancing a particular part of a project that still has to go through a review process.

I think the member can appreciate that, being a politician. He may want to even make comment on that. I say, from my observation and from the observation I think generally, the activities that were previously being carried out under the Energy Authority are now being handled within the different departmental jurisdictions quite capably.

**Mr. Edwards:** I appreciate the minister's comments and certainly agree that we have to understand the environmental consequences, both physical and human, before we invest large sums of money and do things in northern Manitoba that we do not completely understand the consequences of when we do it.

Of course we have again the legacy of the NDP to teach us essentially how not to go about northern development without any environmental review at all. I certainly agree with the NDP's own self-criticism that they did not start the training program soon enough. In fact, they started the dam two years ahead of schedule and, as I have suggested earlier, quite patently abused their governmental authority for political purposes and sacrificed jobs and training in the North.

I do not deny that there are benefits to the training being felt in the communities. The point is that the benefits that have been achieved are woefully beneath what could have been achieved had the NDP government of the day not pushed the Limestone dam ahead for their political purposes, namely the 1986 election.

Mr. Chairperson, with those comments, I look forward to hearing some of the other comments from the committee.

**Mr. Jerry Storie (Flin Flon):** Mr. Chairperson, I first want to congratulate the member for St. James for reading my speeches so carefully. It is unfortunate that he has not been instructed by them.

**Mr. Chairperson:** Mr. Storie, could I interject? Could you pull your mike up just a bit closer yet? Thank you.

**Mr. Storie:** Thank you for reminding me. I certainly would not want the member for St. James not to have access to my words on this occasion either.

Mr. Chairperson, the member for St. James I guess can be forgiven for some of his apparent

ignorance on the issue of Limestone and Limestone development and the training. I recognize that the member for St. James was not a member of the Legislature at the time and was not a part of the debate that went on around that project.

I think my colleague for Point Douglas has outlined some of the successes of the training program through the Limestone Training and employment agency. The member for St. James says he was not a member. The member for St. James may have forgotten that he was the director of the Limestone Training and employment agency. He is quite familiar with both its successes and its failures.

Mr. Chairperson, I would be the first to admit that we could have done things better. The fact is that we have had several other experiences with Hydro construction projects where we employed virtually no northern aboriginal people. We did much better in terms of employing people and in terms of structuring training programs to allow northerners to be participants in this than previously. I hope that whatever government continues with hydro development will learn from both the successes and the failures, and I am not sensitive about it at all.

However, I think an objective view of Limestone and the training program would indicate that it had been successful, by and large.

I always refer to one resident expert at the Free Press who has never been known to be sympathetic to the New Democratic Party, nor, while the Tories were in opposition, I should say, to hydro development, Mr. Cleverley, who took it upon himself, and I give him credit for this because he is seldom well researched, but he did go to Thompson and consulted with not only the training authority, but the communities, community leaders in Thompson, and came back and wrote a glowing report of the Limestone Training and employment agency.

Mr. Cleverley and I seldom agree on anything, but certainly I agreed with his review of the agency and its success—not perfect.

Mr. Chairperson, moving to the Manitoba Energy Authority and the concern expressed by the member for St. James (Mr. Edwards) that somehow my thoughts that governments were inefficient or could not respond in a quick enough manner was somehow a criticism of government. It is a recognition that governments operate quite

differently than private corporations or, in this case, a Crown corporation with considerable authority.

Governments have a process to follow which can be time consuming and cumbersome. It is that way out of necessity if you want to maintain accountability. You have to receive Treasury Board approvals. You have to receive approvals for staffing and staff increasing and expenditures of one sort and another.

I guess what is interesting in the case of MEA in the decision to disband MEA was that it was the Tory government that created the Manitoba Energy Authority. The previous minister, the Lyon Minister of Energy, the Minister responsible for Manitoba Hydro, was responsible for creating the Manitoba Energy Authority, Mr. Chairperson and, at the time, it was a good idea.

The minister wants to say publicly now that everything is sort of business as usual and that those initiatives that were started by the MEA are now being carried out by the departments.

I think that the evidence is quite the contrary. If you look at the role that MEA has played since 1979, you will find that they have been involved in many major hydro and hydro-related projects, including the development of the concept of a western power grid, which the Lyon government proposed and in fact would have us believe, and it may be true, that we are working toward an agreement that would have involved a major power sharing among the western prairie provinces. The MEA was involved in that.

\* (1110)

The MEA also obviously was instrumental in signing the Northern States Power agreement. It was involved and has been involved in four or five other significant Hydro agreements, diversity exchanges with NSP; power sales to Minnesota; the major agreement with Ontario.

I guess my question to the minister is: What is on the horizon? Since MEA essentially was responsible for concluding the Ontario Hydro sale, what has Manitoba Hydro been doing? We have heard very little of the next generation of opportunity.

I point out to the minister that the success that the MEA and the government had in 1984 in signing a deal with Northern States Power was based on years and years and years of effort. Manitobans are looking now to the mid-1990s and saying, where is this government going? Are we going to see any

future sales? Are we going to see the resale now of perhaps power that we saved from conservation efforts? I mean we have a whole truckload of opportunities.

I do not think I, T and T understands hydro well enough or the intricacies of power sales to be very effective in promoting energy-intensive industries, et cetera. I am not sure that Manitoba Hydro has a sufficiently strong mandate through The Manitoba Hydro Act to give it the authority to go out and be aggressive and to promote sales that are profitable for Manitoba. In fact if you look strictly at The Manitoba Hydro Act, you will find that their mandate does not even mention the prospect of export-for-profit sales; their mandate is to provide hydro at the lowest possible cost.

One can interpret that to mean, well, go out and make a profitable deal so you can keep the rate structure reasonable.

The Manitoba Energy Authority had a different mandate, a more straightforward mandate, and that is to move to have Manitoba benefit from our energy potential, and I think that this is a mistake. Obviously the people of Manitoba will only know how great a mistake or whether it was a mistake when we see whether in fact there are any new hydro export sales, whether there are any new initiatives that come forward in terms of energy-intensive industries.

To start with, what sort of projects is Manitoba Hydro now working on? What prospects are out there for future development related to energy-intensive industries or firm power export sales? If they are not there, if the minister cannot provide some examples, then I say this is a serious, serious mistake.

I guess we are here to bury MEA. I think perhaps we should attempt to resuscitate it if the minister cannot give us some assurance that these other things that are supposedly going to happen are actually happening.

**Mr. Downey:** Mr. Chairperson, I do not intend to enter into a debate. I think we probably have some of the same objectives as members of the Legislature and as residents of Manitoba as to, first of all, recognizing the importance of Manitoba Hydro in the role that it has previously played and to the future role that it can play in the overall economic stimulus of our province, not only with the construction of the facilities, but the product that it

produces, both for potential export sales and equally for maximizing its use here in the province of Manitoba.

The member referred to a bit of history when he referred to the western power grid. We started the initiative under the Lyon administration, which he referred to. It for some reason did not proceed. Again, I have no explanation for it, and he did not offer one but, again, he referred to it as one of the things that the Energy Authority was responsible for.

Also the diversity agreements—Mr. Curtis referred earlier to the fact that all the negotiations and discussions that were carried out with these power sales, the people within Hydro were very much a part of, they were not working as two separate bodies within government and one at Hydro, that that capability is still there.

He quite frankly is raising a question which I am dealing with right now as the Minister responsible for Energy and Hydro as to how we can maximize our position in this country as it relates to using Hydro as a positive growth factor. I am doing that. I am not doing it ignoring the Manitoba Hydro board. That is not my job to impose my wishes. It is a matter of through consultation as to how we best co-ordinate ourselves.

There may well be some closer liaison, a mechanism that should be considered, that we still have the energy act on the books. The purpose that it may carry out in the future may look somewhat different than it currently is. The bottom line is, though, I think that he is getting to is that there are opportunities out there, and what mechanism are we using to develop those opportunities?

I can assure him, because I realize how important it is to the province, that we do just that, we get ourselves in a developmental position, a marketing position, to not only sell the power capacity that can be saved through conservation, but we are certainly positioned as it relates to the rest of this country with hydroelectric prices.

These were not our numbers, but about two weeks ago there was an article in The Globe and Mail which put Manitoba as No. 1 in energy pricing in this country. We feel very good about that, and I guess what we are looking at is a marketing strategy and how that can best be carried out. I can assure the member that I am quite conscious of the fact that there are opportunities that will come our way, and we have to be out there promoting them.

**Mr. Storie:** The minister's last comment is the basis for my concern. The minister says there are opportunities out there and they will come to us. The point was that MEA was supposed to go out there and create the interest in Manitoba and Manitoba Hydro and our energy advantage.

I appreciate the fact, and we have certainly tried to sell the province, I am sure as the minister has, on the basis that we have the lowest book rates of any province in the country and most jurisdictions around the world.

The problem is that the minister did not provide the record with any concrete examples of what is next. I mentioned five or six different projects that MEA was involved in and, although Hydro officials were involved and Hydro has obviously a great deal of expertise in terms of the cost of production and the cost of sale of power, the fact is that MEA very often was the aggressor in terms of going down there, finding people, knocking on doors and sitting down and saying, we are here and we have got something to sell.

Hydro was instrumental in making sure that when the negotiations were ongoing that it made sense for Manitoba Hydro. I think we are losing that and, as I mentioned before, of the power sales that we talked about, Manitoba Energy Authority was also involved in bringing Brown-Boveri here to work with Federal Pioneer, a European company involved in the Dow Corning situation, involved in meeting with a whole series of Japanese companies, for example. Mr. Curtis, who was the chair and who is still actively involved, was very instrumental in those meetings and in trying to secure investment from other areas into Manitoba to help us use our energy advantage.

I would like the minister to be a little more concrete. I can tell the minister at least a half a dozen things that MEA was directly involved with when MEA was up and working as an aggressive agency out promoting Manitoba's interests. The minister has now been involved for four years. Can he tell me anything new?

Well, I am sorry, the minister has only been involved in his role as Manitoba Hydro and MEA minister for a shorter period, but this government has had four years to use the authority to its advantage. Other than projects that were started by the MEA while the NDP were in government, I have not heard anything new, and I would like to hear



something new. I think the people of Manitoba would like to hear something new.

\* (1120)

**Mr. Downey:** Mr. Chairperson, two things—since I have been minister, which has been a short period of time, let me assure him that I am interested in maximizing Manitoba's capability and its potential through hydro production and the low cost of power that it is, the clean, efficient type of power that it is.

I can tell him there are two things that I have done as it relates to Hydro with the chairman of Hydro or with the president of Hydro. That has been to meet with the ministry of Energy in Saskatchewan to look at what potentials there may be in considering further use or sale of hydro to Saskatchewan through probably picking up on the old power grid concept, not necessarily a power grid per se, but again talking to them as a potential opportunity. Of course the MOU that was developed between I, T and T and the ministry from Saskatchewan as well included the discussions as it related to energy. I think that makes sense.

Let me as well say that we have, with the company of Manitoba Hydro, met with the mining industry in Toronto several weeks ago, again presenting the Manitoba Hydro story taking the same opportunity. I cannot lay before him any immediate concrete results, but I can tell you that we are not sitting back not presenting ourselves to the other jurisdictions.

It is my intent to develop a strategy working with the Minister of I, T and T, who has the promotional responsibilities that were with the Manitoba Energy Authority and with Manitoba Hydro, remembering again that it is not our intent to politically be involved in it to the extent that we would be accused of political interference, but it is our intent to maximize the potential that Hydro has.

Again there is a mechanism within I, T and T that is there. There is the opportunity that I have referred to to directly meet, through my involvement as Minister responsible for Hydro and Energy, with other jurisdictions.

I say that the whole process of negotiating and selling hydro has been with Manitoba Hydro as part of the overall activity. They know what they have to sell and they have carried out that responsibility with the MEA. They now have that responsibility as Manitoba Hydro.

I am not debating with him. I am not criticizing his questions. What I am saying is that it is being dealt

with and I hope in as efficient a manner as possible. There may well be a need for some additional promotional activity to be done, and I thank the member for his support in moving in that direction, because I intend to move in that direction without the Manitoba Energy Authority as it was previously structured.

I think we can promote hydro, do these things without the Manitoba Energy Authority as we have seen it in the past.

**Mr. Storle:** Well, I am sure it would be disconcerting if Manitobans knew that the minister could not tell me today what projects were on stream. What new projects are out there? I have said, I can mention probably half a dozen more if the minister wants, including discussions that were going on with aluminum companies like Alumax. Without MEA I am not sure that those negotiations are going to be pursued.

The minister mentioned Saskatchewan. In 1987, I wrote a letter to the Minister of Energy in Saskatchewan offering them a power deal that would have saved them millions and millions of dollars, provided them with power at a fraction of the cost that is going to be produced from their Shand project, whatever they call it. I think there is some opportunity there for Manitoba to support a neighbour and create a win-win situation. I encourage the minister to go and do it.

I am just concerned that Manitoba Hydro get so concerned with, and rightly so, the efficient operation of the system, that they do not really take this other mandate seriously to the extent they have that mandate, even by legislation. I think that the fact the minister cannot say, yes, here is what we are working on, and this looks really good, is of some concern, I think, to the members of the committee.

I will say that I am heartened by the fact the minister refers to the fact that the legislation is still in place and that the MEA could be reconstituted at some point in the future. I think we are being too lax and perhaps that is not the fault of this minister.

I hope he is serious in his role as Minister of Energy and Mines and Minister responsible for Hydro in getting some of these projects on stream. I can assure him that sitting passively waiting for someone to come to his door is not going to be successful in the 1990s.

The minister talked about, Manitoba Hydro has always been selling power. I remind the minister

that prior to 1980, prior to the formation of the Manitoba Energy Authority, Manitoba did not have a long-term firm power sale. We were exporting short-term power, surplus power. Yes, we were probably losing money on that power, although it is surplus. We were not meeting our cost of production per kilowatt, is what I meant to say.

The firm power sales are the way to go, and before MEA there were none. Now we have three, at least three. I do not know whether that is coincidence or a reflection of the fact that MEA worked. The minister cannot tell me of anything else that is going on that would lead me to believe that we have reason for optimism about the future of export sales and energy-intensive industries coming to the province.

I would like to be optimistic. I would like to have the minister list me a dozen things that we are working on or things that are imminent. The government has had four years, and it has been four years of pretty much sitting on their hands, if the minister's lack of response is any indication. I do not think that is good enough.

I did not want this to turn into a lengthy debate either, Mr. Chairperson. I realize the government has made its decision on MEA. I hope that the minister will be able to prove me wrong about my contention that this is a mistake. I am sure he will, but certainly nothing the minister said dissuades me from making those comments once again at this committee meeting. He has certainly not given me any substantial evidence to make me change my mind.

**Mr. Downey:** Again, I am not going to prolong the debate. I am quite prepared to pass it, Mr. Chairperson. I take seriously the comments the member has made, and I can tell him just in an area of I, T and T, and he will be able to ask questions as it relates to again, the promotional activities that are going on there.

The individuals that were with the Manitoba Energy Authority are with I, T and T, and I am informed that they will be carrying out some of the same promotional activities through that department. Promotion is still taking place. I would like to see, as well, additional promotion taking place.

**Mr. Storle:** I am sorry, I cannot leave that. Mr. Chairperson, 1987 I believe was the last year that I was involved with a promotional tour partly

sponsored by the Manitoba Energy Authority. Obviously, investment tours, as the minister probably knows, are expensive. It would be interesting to know whether in fact I, T and T has arranged anything since 1987.

My concern is that it is longer-term investment, making these kinds of decisions is longer term and the departments have a lot more trouble justifying it sometimes. That is what I meant when I said this agency is much more focused and it responds more quickly. If it has an opportunity to go to Japan and meet with someone tomorrow, it can say, well, let us spend \$25,000, where a department cannot do that necessarily. If it is not budgeted, they go through a whole process to find that money.

That is why I said it was kind of a useful tool in that sense, not that it was spending money mindlessly, not then and I am sure not since, but it has its advantages.

\* (1130)

Although the staff may be in I, T and T, the process they have to go through to organize these things is so long term that I think sometimes they are inefficient, ineffective. That is my comment.

**Mr. Hickes:** I have a couple of questions. I was raising the issue about the staff that were part of MEA that have been reallocated within the government. Could I get a copy of the positions and the salaries they were at when they left the MEA and what salaries they are at now?

**Mr. Downey:** Yes, we can provide that, Mr. Chairperson.

**Mr. Hickes:** Just in closing, I would just like to clear up any misunderstandings pertaining to Limestone Training Agency. We have never, ever indicated for one instance that it was perfect. I mentioned earlier that it was the first undertaking of that size anywhere, and there had been some mistakes, but there have been quite a few successes.

I would just like to remind the Liberal Party that if they were keeping track of hydro projects in northern Manitoba, the previous project to Limestone, there was only a 9 percent aboriginal participation on that dam.

With Limestone and with the initiative of the training program to ensure that people had the skills and the qualifications to work on that dam and with the preferential hiring clause, there was a 25 percent participation of aboriginal workers on that site

maintained throughout the project. When I say maintained, at various stages of the project sometimes they went much higher than that, but it was 25 percent. If you look at 9 percent and increased it from one project to 25 percent, that is almost triple.

If I understood the member for St. James (Mr. Edwards) when he responded that it was a waste of a lot of money, I for one and my party do not agree that you waste money when you train aboriginal people to increase their employment opportunities from 9 percent to 25 percent and you triple the opportunities for aboriginal people with the participation of those training programs, which will be ongoing for the rest of their lives. That is a successful program to me.

We are committed to aboriginal people, and I most certainly am committed to aboriginal people to pursue their careers. If the Liberal Party is not in agreement with that by some of their statements, I say shame, because aboriginal people have been asking for job opportunities and education opportunities for years and years. With the Limestone Training this was one opportunity that was given to aboriginal people to pursue meaningful careers and meaningful job opportunities for the rest of their lives.

If you are going to start looking at the success again of individual people's lives and compare it to the success of a program on the profit margin

instead of looking at the result of the human resources that are put into communities and the benefits that the whole family and the community share by a person succeeding in their own careers, I say shame again to the member for St. James for making those statements.

On that note, I would just like to thank the staff and the minister for the opportunity to discuss here. I would encourage the minister to look at an up-front training program, and not only is it for Conawapa.

Anyone who says that up front it is straight for Conawapa does not understand the northern needs. Any training program that the government or anybody initiates in northern Manitoba today will benefit all the communities and will benefit aboriginal people mostly because of the lack of opportunities in the past.

So it does not have to necessarily be just a Conawapa training program. It should be a training program for northerners and aboriginal people to continue on with their careers and responsibilities that they have to their families and their communities.

So I would just like to thank you for that.

**Mr. Chalrperson:** Shall the 1990 and 1991 reports of the Manitoba Energy Authority be passed—pass.

Committee rise.

**COMMITTEE ROSE AT:** 11:35 a.m.