

## LEGISLATIVE ASSEMBLY OF MANITOBA

Wednesday, 15 May, 1985.

Time — 2:00 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. J. Walding:** Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

### MINISTERIAL STATEMENTS AND TABLING OF REPORTS

**MR. SPEAKER:** The Honourable Minister of Culture.

**HON. E. KOSTYRA:** Thank you, Mr. Speaker.

I wish to table the Annual Report of Manitoba Culture, Heritage and Recreation for the fiscal year ending March 31, 1984.

**MR. SPEAKER:** Notices of Motion . . .

### INTRODUCTION OF BILLS

**MR. P. FOX** introduced, by leave, Bill No. 41, An Act to amend An Act to incorporate "First Presbyterian Church Foundation"; and, by leave, Bill No. 42, An Act to amend An Act to incorporate "The Winnipeg Real Estate Board".

### ORAL QUESTIONS

#### Manitoba - bilingual province

**MR. SPEAKER:** The Honourable Leader of the Opposition.

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

My question is for the Acting Premier. I wonder if she could indicate if it is the position of the Provincial Government that Manitoba is an officially bilingual province.

**MR. SPEAKER:** Honourable Minister for Community Services.

**HON. M. SMITH:** Well, Mr. Speaker, there's been a lot of debate on that issue in this House and I think the current position of the law, until the Supreme Court comes to a decision, is as found in an act passed by the other side of the House when they were the government.

**MR. G. FILMON:** Mr. Speaker, may I ask if it is the position of this NDP administration that they should refer to Manitoba as an officially bilingual province?

**HON. M. SMITH:** Mr. Speaker, I think that receives the same answer as the previous question. We had made our position abundantly clear. There is disagreement as to meaning and interpretation, and it's before the

Supreme Court at the moment. I think we are all well advised to wait until we receive clarification from them.

**MR. G. FILMON:** Mr. Speaker, I wonder if the Acting Premier could indicate whether or not Crown corporations and government agency heads have been instructed to act as though the province was officially bilingual.

**HON. M. SMITH:** No, Mr. Speaker.

**MR. G. FILMON:** Mr. Speaker, then I wonder if I could ask the question of the Minister responsible for MPIC. I wonder if he could indicate whether he has instructed the Manitoba Public Insurance Corporation, principally through the president and general manager, to write to people who have opposed the use of bilingual applications for Autopac and to say to them, "These guidelines were developed in response to a ruling by the Supreme Court of Canada which upheld the provisions of the British North America Act designating Manitoba as an officially bilingual province."

**MR. SPEAKER:** The Honourable Minister of Housing.

**HON. J. BUCKLASCHUK:** Mr. Speaker, I will have to review my correspondence with the general manager to see if, in fact, I said that. I can't specifically confirm or deny that at this time.

**MR. G. FILMON:** Mr. Speaker, I wonder if he would further ask the general manager then to share with him correspondence that the general manager had with a constituent of this Minister in Gimli, who, inquiring about this matter, was told the quote that I said that Manitoba is an officially bilingual province.

**HON. J. BUCKLASCHUK:** Yes, I'd certainly be pleased to look into that. I would appreciate the name of the constituent. As you are well aware, we have probably hundreds of thousands of pieces of correspondence. I'll follow that up.

#### Tax reform, proposed

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, I have a question for the Deputy Premier. Did the First Minister make a specific proposal at the meeting of Western Premiers with respect to tax reform?

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Mr. Speaker, I think it's most appropriate to wait for the Premier's return to put that question to him. I think the general approach of the

Government of Manitoba in the area of tax reform has been repeated on many occasions.

**MR. B. RANSOM:** Mr. Speaker, I'm interested in knowing whether the province has made a specific proposal. We know of some of the general comments that have been made, but it would be interesting to know whether they had made a specific proposal, and whether or not that proposal will be shared with members of the House?

### **Flyer Industries - number of buses**

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker.  
I direct my question to the Minister responsible for Flyer Industries and would ask him if he could inform the House how many buses the publicly-owned company, Flyer Industries, will manufacture this year?

**MR. SPEAKER:** The Honourable Minister of Culture.

**HON. E. KOSTYRA:** Thank you, Mr. Speaker.  
I don't have the number readily available, I can provide that information to him subsequent to question period today.

### **Provincial Parks - May opening**

**MR. SPEAKER:** The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Mr. Speaker.  
My question is to the Minister of Natural Resources. Some time ago, and during the Estimates, there seemed to be some confusion as to whether all the provincial parks would be in operation for the upcoming long weekend. I wonder if the Minister could indicate whether all provincial parks are going to be open for the public for the upcoming long weekend.

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. S. USKIW:** Well, Mr. Speaker, as I recall, that discussion centred on the question of campgrounds, not parks, so that there is a difference of opening dates as between campgrounds and parks. In some of the campgrounds, we are going to be delaying the opening for budgetary reasons as was stated during the Estimates Review. The park openings should be on schedule, Mr. Speaker.

### **Lynn Lake - interim report re crisis**

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. H. ENNS:** Mr. Speaker, I direct a question to the Honourable Minister for Energy and Mines. Sometime in March, I believe the Minister received an interim report prepared for the department by the University of Manitoba, by Mr. Thomas Henley and Mr. Douglas Barrett, about the growing crisis that is developing in

the mining community of Lynn Lake. There were a number of recommendations made and, of course, a number of requests made for some specific action by the community of Lynn Lake.

Has the government proceeded to act on any of those recommendations?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, we have indeed taken that report and referred it to an interdepartmental committee of deputies. They have gone through it; there have been matters raised before the Economic and Resource Investment Committee of Cabinet. We are, indeed, looking to follow through on some of the measures that they have proposed. We are looking at all the measures that they have proposed to determine whether, in fact, they are viable or not, as we indicated we would when we launched the process, because frankly the whole process of consultation with the community has been, in a sense, underwritten by draw downs from the Mining Community Reserve Fund which is administered by the Department of Energy and Mines.

### **Mining Community Reserve Fund - assistance to Lynn Lake**

**MR. H. ENNS:** A question, Mr. Speaker, specifically on the matter of the fund that the Minister refers to, which was set up for precisely this purpose. Has the government committed any part of that fund to meet some of the specific requests?

The revitalization plan at Lynn Lake has identified some 44 projects. Has any part of that \$4 million to \$5 million fund been dedicated to assist the community of Lynn Lake?

**HON. W. PARASIUK:** Mr. Speaker, we have certainly indicated to the community that we are prepared to commit monies for purposes that show viability and for purposes of transition for the community when it goes through the transition of having the Fox Lake Mine closed. Those numbers associated with transition have not been identified fully yet. We have a process in place whereby, hopefully, more of those costs will be identified.

With respect to specific projects per se, we have not funded for specific projects, but there are a number of things that we are looking at which I think will have some beneficial impact to the community of Lynn Lake, not the least of which will be a training program geared to training people for work at the Limestone development. We are having consultations right now with people in the community of Lynn Lake, saying what we might do to do some of the training within that community.

### **North of Portage Development - committed government space**

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, I have a question for the Minister of Government Services. Could the Minister

of Government Services indicate how much office space the province is committed to taking in the proposed commercial office space which is part of the North of Portage development?

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Mr. Speaker, we do have a commitment along with the federal level of government to absorb a certain amount of office space in the development if certain conditions are met, particularly with regard to the price range, the cost and the prevailing market conditions at that particular time. So there is an agreement that we will be facilitating the development by committing a significant amount of space, in the neighbourhood of 50,000 square feet per level of government, in the development.

**MR. G. MERCIER:** Mr. Speaker, would the Minister indicate to the House the cost per square foot of the space to be taken? Who is going to move into this space in this new commercial development?

**HON. J. PLOHMAN:** Mr. Speaker, those kinds of details have not been defined. Certainly this is conceptual at this stage, and has not been defined in the kind of detail that the honourable member is asking about. There are a number of variables and factors that have to be considered before that is finalized, but that is an agreement in principle as part of our commitment to the development plan.

### Free Press property - acquisition by government

**MR. G. MERCIER:** Mr. Speaker, a supplementary question to the Minister of Urban Affairs. Could the Minister of Urban Affairs indicate whether he has now decided on whether or not the Province of Manitoba will proceed to acquire the 50-foot piece of Free Press property involved in the expropriation in the development north of Portage Avenue?

**MR. SPEAKER:** The Honourable Minister of Urban Affairs.

**HON. L. DESJARDINS:** Mr. Speaker, that is a decision that is being made by the corporation, yes.

**MR. G. MERCIER:** Mr. Speaker, what is the decision?

**HON. L. DESJARDINS:** Does my honourable friend remember when he was sitting on this side of the House, they started the notice of expropriation and the decision at the last meeting made by the corporation that they would have to have that property. There was a meeting held with the principal of the Free Press last week in Toronto to inform them of that.

### Careerstart Program - criteria re applications

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister of Employment Services. On Monday of this week, Mr. Speaker, I requested of the Minister the career-related list which the government obviously has prioritized certain job industries to be providing more equitable training and work experience. Could the Minister provide me with that prorated list of most desirable from least desirable industries in which students under Careerstart can be employed?

**MR. SPEAKER:** The Honourable Minister of Employment Services.

**HON. L. EVANS:** Mr. Speaker, questions along those lines were asked yesterday, and we indicated there is no such list which prioritizes occupational skills.

**MR. D. ORCHARD:** Mr. Speaker, my supplementary involves a preamble which is a quote from a letter of refusal to a constituent who applied under Careerstart: "After careful consideration, we have assessed the position you applied for as providing less of a career-related skill development work experience than other positions requested. In view of the fact that obviously some industries are rated higher than others, could the Minister care to explain on what basis a refusal for employment under Careerstart by a farmer in my constituency was refused if such a rating list does not exist?"

**HON. L. EVANS:** Mr. Speaker, as has been made available to the community through the literature that goes out, we take various criteria into consideration, one of which is the fact that we have to be assured that there is a net additional job being created, that we're not simply handing money out to a manufacturer, a service industry employer, or whoever he is, just simply to subsidize the operation. We want to ensure that there is another new job that wouldn't be created otherwise.

In addition to that, the staff look at various matters with regard to the type of employment being offered, and as I explained yesterday, we usually opt if there is a priority; if there is a decision to be made we opt for that kind of an occupation that will provide a greater challenge.

Having said that, Mr. Speaker, I repeat what I said yesterday, hundreds of farmers had been approved under this program this year. Many hundreds have been approved and are in place. Regrettably we don't have as much money as we'd like to have.

But I might add also, Mr. Speaker, I would repeat what I said the other day. Although 60 percent of the population of Manitoba lives in Winnipeg, we have far more money going into rural Manitoba proportionately than into the City of Winnipeg and the members from Winnipeg could argue that it isn't fair. I am suggesting, Mr. Speaker, that rural Manitoba is getting more than a proportionate share under this program.

**MR. D. ORCHARD:** Mr. Speaker, the Minister can duck and avoid the question as much as he wishes, but obviously his department is rating jobs according to the applicant. My question to the Minister is, in the event of an appeal made by an applicant who has been

refused, do the same people who made the refusal, review the appeal?

**HON. L. EVANS:** There is a procedure whereby the regional manager looks at the appeal process. So there is somebody else involved in the appeal process. I think we're trying to be as fair as possible, and I can certainly provide more information to the honourable member if he wants to discuss it during the Estimates.

**MR. D. ORCHARD:** Mr. Speaker, it's interesting that the Minister would say the regional manager is involved in the appeal process. This letter of refusal is signed by the regional manager. Does this mean that the person who made the refusal reviews his own work? Is that the kind of kangaroo court appeal system we've got in the Careerstart system?

**HON. L. EVANS:** Order please. Mr. Speaker, I'll read from a document here on the appeal process. "If an employer requests to formally appeal the decision for rejection, he or she should submit in writing any additional information in support of the appeal to the program manager, copy to the regional manager or program administrator.

"The regional manager or program administrator should then forward a copy of the application in written summary of background information together with his or her recommendation to the program manager.

"The senior manager and director will review the appeal and notify the employer in writing of the outcome of the appeal and a copy of the letter will be forwarded to the regional manager and the program administrator."

### **Legislative Building - side and rear entrance gates**

**MR. SPEAKER:** The Honourable Member for Minnedosa.

**MR. D. BLAKE:** Thank you, Mr. Speaker. My question is to the Minister responsible for Government Services. I wonder if he could advise the House when the gates in place at the side and the rear entrances to the building will be in place this year.

**MR. SPEAKER:** The Honourable Minister of Government Services.

**HON. J. PLOHMAN:** Mr. Speaker, I'll take that question as notice.

### **Farm enterprise loan through MACC - waiting period for farmers**

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Speaker.

I direct a question to the Acting Minister of Agriculture. Can the Minister advise the House that a farmer of today making an application for a farm enterprise loan through MACC will be required to wait

approximately five months for a confirmation or a denial of his application?

**MR. SPEAKER:** The Honourable Minister of Housing.

**HON. J. BUCKLASCHUK:** Mr. Speaker, I'll take that question as notice and report back to the House.

### **MTS - involvement in retail sales**

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. R. BANMAN:** Thank you, Mr. Speaker.

I direct my question to the Minister responsible for the Manitoba Telephone System and would ask him, in light of the fact that there is growing opposition and concern about MTS's involvement in the retail sales of home computers and radio equipment, could the Minister inform us whether or not the corporation is reviewing its policy of competing with small businessmen in the Province of Manitoba?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, the Manitoba Telephone System is a major employer of people in the province. It's very important that we maintain a viable corporation to provide service to the people of Manitoba and we are concerned to facilitate the continuance of those operations; and where there are ancillary operations that complement the operation of that corporation, it would be foolhardy to close our eyes to opportunities to facilitate that enrichment of the operations of the corporation.

**MR. R. BANMAN:** Mr. Speaker, since none of this equipment is manufactured in Manitoba and MTS is in direct competition with small businessmen who are facing tough times with regard to such things as payroll taxes and a number of other things, could the Minister inform the House whether or not he will be asking MTS to review their policy of getting into the retail selling business, an area which I suggest to the Minister should be left up to the small retailers who are struggling in this province and MTS should be getting out of it?

**HON. A. MACKLING:** Well, Mr. Speaker, it is very interesting to see this new-found concern on the part of the members of the opposition with the struggling small business in Manitoba. It is this government that has facilitated and encouraged small business in Manitoba.

Mr. Speaker, a lot of the operations of the Manitoba Telephone System engender further retail and manufacturing activity in this province and facilitate a great deal of merchandising in this province that wouldn't otherwise occur without the efforts of the Manitoba Telephone System.

It is interesting, Mr. Speaker, that at least some members of the opposition were concerned when the Telephone corporation was looking at the introduction of ancillary services, to be concerned that at least it operate on a profit basis rather than service and, Mr. Speaker, the concern of this government is that

corporation provide service to the people of Manitoba and facilitate employment in this province.

**MR. R. BANMAN:** Mr. Speaker, I wonder if I could ask the Minister what business sense or what rationale does the government employ in justifying the sale of home computers like Commodore 64 which are manufactured outside of the province and are sold by all the small little retailers that are struggling in the province, what rationale does he use that MTS should be selling small home computers in competition with the small businessmen in this province?

**HON. A. MACKLING:** Mr. Speaker, we on this side are concerned to provide an opportunity for our corporations to take advantage of the systems that they employ to produce revenues for the people of Manitoba, to ensure that the black telephone rate is kept at a reasonable cost, Mr. Speaker, and we are not ideologically hidebound that we are not prepared to look at use of the corporation to facilitate the interests of the people of Manitoba.

I think we have to be watchful and concerned about the extent to which the corporation does compete. I, for one, want to make sure that that area of competition is fair and just. I certainly want to review all the areas in which the corporation operates, but we do that without ideological blinkers.

#### **FAST alarm system - losses subsidized by MTS customers**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker. My question is for the Minister responsible for the Manitoba Telephone System.

Can the Minister confirm that the FAST alarm system, which was introduced to provide revenues and profits to subsidize the black telephone, and their telephone customers in Manitoba have now lost in excess of \$2.5 million?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, I can confirm that the FAST system, which honourable members may suggest is competing with other systems, was authorized when the Honourable Member for Pembina was the Minister responsible for the Manitoba Telephone System and the approval was given, Mr. Speaker, because it would be a profit centre - and that was the basis of approval, not service - that it would be a profit centre to facilitate the corporation.

Mr. Speaker, the Honourable Member for Pembina was advised then that the system would take some years to develop, market development, and he heard during the course of the Estimates, or the review of the corporation before the committee just the other day, that the pickup in application and the development of this system is growing very quickly now that it has received a significant startup in Manitoba.

**MR. D. ORCHARD:** Mr. Speaker, despite all of the Minister's rhetoric, could he answer the question as to

whether the FAST system, since its inception, has loss in excess of \$2.5 million, thereby being subsidized by the telephone customer of Manitoba?

**HON. A. MACKLING:** Mr. Speaker, I will confirm that at the time the system was authorized by a previous government and a previous Minister, the Member for Pembina, the corporation advised that during the startup period there would be losses but that overall the system would be successful; and their expectations, as reviewed very very carefully by the Member for Pembina during that committee, did not undermine that finding by the corporation.

**MR. D. ORCHARD:** Would the Minister then provide us with the enterprise accounted losses to date of FAST?

When he is providing that information, could he also provide information to the House as to whether approximately 70 percent of the customers of the FAST system are serviced to Manitoba Housing and Renewal Corporation units in the city at a vastly lower rate, subsidized by the Telephone System and the FAST system?

**HON. A. MACKLING:** Mr. Speaker, if you had been present during the sittings of the committee, you would know that these questions have already been asked, already been put by the honourable member in committee, are an abuse of this House in asking the questions again and again when he has received responses in committee.

**MR. D. ORCHARD:** Mr. Speaker, neither the Minister nor the Telephone System supplied the answer as to the losses in the FAST system to date. Since it was to be profitable this year, according to the original timetable on its implementation, would the Minister responsible for the Manitoba Telephone System provide this House with the loss to date by the FAST system, which has been subsidized by telephone customers in Manitoba, the exact opposite to the song and dance he is giving us this afternoon?

**HON. A. MACKLING:** Mr. Speaker, I neither sing or dance about the telephone corporation; I tell the truth.

Mr. Speaker, the Telephone System, when it brought the proposal to the Member for Pembina, was given a green light for that on the basis that in time it would be a profitable operation. The time frame has not elapsed, Mr. Speaker, has not elapsed.

The honourable member waxed very eloquent during the course of that committee, saying that he was concerned about the corporation competing, and yet he was the Minister who authorized the corporation to go into a competitive service, provided it made a profit. Mr. Speaker, he can't have it both ways.

Mr. Speaker, this Minister, unlike former Ministers, will take the corporation, give it an opportunity to develop that market and make the profit that it says it will.

**MR. D. ORCHARD:** In view of the fact that the Minister has now answered the question we have been trying to get to him, that telephone systems do not always

make money in their retailing operation, will he review the policy to assure that private sector businesses are not adversely affected and that the telephone customer is not cross-subsidizing those ancillary services such as the sale of computers, Texas instruments - Speak and Spells - and other equipment available freely to the private sector retailing businesses in Manitoba?

**HON. A. MACKLING:** Mr. Speaker, I have already given the honourable member assurance - mind you, he wasn't listening - that I think in its application, the application of the corporation, we must be mindful of its competitive effect in respect to small business and we must be concerned about that. But we must also be concerned about ensuring the continuance and existence of that service for the people of Manitoba.

### Pay Equity legislation

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, yesterday the Minister of Labour indicated he would be introducing pay equity legislation at this Session of the Legislature. In 1981, the New Democratic Party promised that an equal pay for work of equal value law would be passed in Manitoba.

Could the Minister of Labour indicate how the government's concept of pay equity differs from the concept of equal pay for work of equal value?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, the message that we received from Her Honour contained a message in respect to pay equity which this government will be honouring.

**MR. G. MERCIER:** Mr. Speaker, would the Minister of Labour indicate how that message from Her Honour differs from the message the New Democratic Party gave to the people of Manitoba in 1981; and how does the government's concept of pay equity differ from their election promise of an equal pay for work of equal value law?

**MR. SPEAKER:** Order please. I hardly think it is a proper question to ask a Minister of the Crown to account for something said by an outside organization a few years ago. Would the honourable member wish to rephrase his question?

The Honourable Member for St. Norbert.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. G. MERCIER:** Mr. Speaker, as we read this document we can understand why they want to treat it as coming from an outside organization.

Mr. Speaker, would the Minister of Labour indicate how the government's concept of pay equity differs from equal pay for work of equal value from that principle?

**HON. A. MACKLING:** Mr. Speaker, I am very pleased that the Honourable Member for St. Norbert is anxious and eager to participate in the debate on the bill and the provisions of the bill, but I think it's inappropriate for us to engage in that until the bill has been tabled.

### Garrison Diversion - retention of lobbyist

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. B. RANSOM:** Mr. Speaker, I have a question for the Minister of Natural Resources. Does the department still retain the paid lobbyist in Washington to work on the Garrison issue?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. S. USKIW:** Yes, Mr. Speaker, we still have a presence in Washington and it will be there until the matter has been decided at least by, I believe, congressional action.

**MR. B. RANSOM:** A supplementary to the Minister, is that presence a person employed directly by the Manitoba Government or is that a Washington law firm?

**HON. S. USKIW:** Mr. Speaker, I can take the question as notice to be precise, but as my recollection has it it's a legal firm that has been retained for whatever purpose that may arise.

### Inter-City Gas Manitoba Pipelines

**MR. SPEAKER:** The Honourable Member for Virden.

**MR. H. GRAHAM:** Thank you, Mr. Speaker. Last week, the Acting Minister of Energy and Mines took a question and I was wondering if the Minister of Energy and Mines now has the answer.

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** I believe, Mr. Speaker, the Acting Minister took a number of questions as notice. I don't know which one he's referring to.

**MR. SPEAKER:** Order please.  
The Honourable Member for Virden.

**MR. H. GRAHAM:** Mr. Speaker, I feel sorry for the people of the Province of Manitoba if there is no communication between Ministers on the other side of the House, but I would ask specifically if the Minister would answer the question which the Acting Minister of Energy and Mines took last week and said that the Minister would be providing the answer.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. SPEAKER:** Order please, order please. Order please.

The honourable member knows that he should not ask meaningless questions.

The Honourable Member for Virden.

**MR. H. GRAHAM:** Thank you, Mr. Speaker.

I accept the admonition, but the question was probably more appropriate to the Minister because I haven't received an answer as yet. So I will now ask the Minister specifically if he can provide me with the bid prices of the various firms that bid for the gas pipeline from Waskada to Cromer?

**MR. SPEAKER:** The Honourable Minister of Energy and Mines.

**HON. W. PARASIUK:** Mr. Speaker, I'll take that matter up with the board that reviewed all the applications. They weren't bids specifically; they were applications, proposals relating to a whole set of criteria. I'll certainly take that matter up and bring back the set of criteria and the information.

**MR. H. GRAHAM:** I will refer the Minister to his release of March 2nd of '84 where he said, "The other bidding companies were," and it goes on to list them.

### **MTS - telephone answering service hookup**

**MR. SPEAKER:** The Honourable Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Speaker.

I direct a question to the Minister responsible for Manitoba Telephone System and ask the Minister if he can advise the House that MTS will not hook up a telephone answering device in my MLA office unless I lease it or purchase it from MTS?

**MR. SPEAKER:** The Honourable Minister of Labour.

**HON. A. MACKLING:** Mr. Speaker, I don't believe those are the regulations, but I will inquire to be certain of that.

**MR. D. GOURLAY:** Mr. Speaker, in view of the fact that I have just recently moved into a new MLA office, and because I have my own answering device, the business office in Brandon said that they could not hook up my answering device unless it was purchased or leased from MTS.

### **Vicon and union representing Co-op Implements - decision regarding**

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. W. MCKENZIE:** Mr. Speaker, I have a question for the Honourable Minister of Technology. The deadlock talks between Vicon and the union representing Co-op Implements has been going on for weeks. I wonder if the Minister has an announcement. Has it been settled, or is there any idea of when it might be settled?

**MR. SPEAKER:** The Honourable Minister of Culture.

**HON. E. KOSTYRA:** As I answered the same question some time ago, the discussions between Vicon and the

union had concluded some time ago. The decision with respect to Vicon and its potential operations in the Province of Manitoba was resting with the board of the current company and I'm informed that decision will be made shortly.

### **Ethiopian relief - government contribution**

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, yesterday I asked the Deputy Premier a question as to what assistance the Provincial Government has provided to Ethiopia and other African countries suffering from famine. I wonder if the Deputy Premier has an answer today.

**MR. SPEAKER:** The Honourable Minister of Community Services.

**HON. M. SMITH:** Mr. Speaker, I don't have that response yet.

### **Mosquito infestation - monitoring of**

**MR. SPEAKER:** The Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

I believe my question is for the Minister of the Environment; I think this falls under his responsibility. Mr. Speaker, my question to the Minister of the Environment is this: how quickly does he expect to have his sentinel flocks for the monitoring of mosquito populations in Manitoba in place?

**MR. SPEAKER:** The Honourable Minister of the Environment.

**HON. G. LECUYER:** I don't know the details of that, Mr. Speaker, so I'll bring forth some answers. I do know they've hatched though.

**MR. SPEAKER:** Order please.

The Honourable Member for Pembina.

**MR. D. ORCHARD:** Mr. Speaker, I concur with the Honourable Minister that mosquitoes have hatched; I've been chewed to death this spring. Now, on the other hand, if the Minister is referring to chickens having hatched, they hatch year-round in this province in case the Minister is not aware of that fact.

Mr. Speaker, I would ask the Minister of the Environment, in view of the controversy last year, or over the past several years, over the spraying program for the control of encephalitis-bearing mosquitoes, can the Minister indicate whether the interdepartmental group, and he, as the Minister, has made a decision as to which chemical the province would prefer to use in any mosquito abatement program?

**HON. G. LECUYER:** I consider that question highly hypothetical, Mr. Speaker. We have certainly not at this point in time. If the member is asking about the sentinel



flocks, and we're going to base the decision among other factors as taking that as one of the factors into consideration, we certainly haven't in any way, shape or form made any decisions yet as to what we would use, should that be required.

### INTRODUCTION OF GUESTS

**MR. SPEAKER:** Prior to Orders of the Day, may I direct the attention of members to the gallery where we have 23 students of Grades 5 and 6 standing from the Alexander school under the direction of Miss Lopez. The school is in the constituency of the Honourable Member for Minnedosa.

On behalf of all the members, I welcome you here this afternoon.

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. A. ADAM:** Mr. Speaker, I wonder if I could have leave to revert back to Presenting Petitions. I have a petition that should be presented before the deadline tomorrow.

**MR. SPEAKER:** Is there leave to revert back to Presenting Petitions? (Agreed)

### PRESENTING PETITIONS

**MR. SPEAKER:** The Honourable Member for Ste. Rose.

**MR. A. ADAM:** Thank you very much, Mr. Speaker. I beg to present a petition of les révérends pères oblates, praying for the passing of an Act to amend an Act to incorporate les révérends pères oblates in the Province of Manitoba; loi modifiant l'acte pour incorporer les révérends pères oblates dans la province du Manitoba.

**MR. SPEAKER:** The Honourable Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Speaker. Now that we've reverted back to presenting petitions, I also, Mr. Speaker, beg to present the petition of Niakwa Country Club praying for the passing of an Act to amend an Act to incorporate Niakwa Country Club.

### ORDERS OF THE DAY

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker. Would you please call Bill No. 2.

### ADJOURNED DEBATE ON SECOND READINGS

#### BILL 2 - THE HEALTH SERVICES ACT

**MR. SPEAKER:** On the proposed motion of the Honourable Minister of Health, Bill No. 2, the Honourable Member for Pembina.

**MR. D. ORCHARD:** Thank you, Mr. Speaker.

I want to offer a few comments and pose a few scenarios to the Minister in debate on Bill No. 2 this afternoon. Hopefully, the Minister in either closing debate or when we get to committee stage might be able to resolve some of the questions that are arising out of the passage of this bill.

Mr. Speaker, the process of extra billing in Canada came under fire naturally with the passage of the Federal Health act, the national Health act, and Manitoba is now, I believe, with the passage of this legislation, will be the second province to have passed a ban on extra billing legislation. Nova Scotia has one in place, and I'm not certain if another of the Maritime provinces does have their ban on extra billing legislation in place.

Currently, there is some considerable discussion ongoing between some of the larger provinces and Ottawa in terms of the direction this legislation will take the health care system, Ontario, British Columbia, Alberta being some of the provinces who have expressed certain concerns about the legislation.

Mr. Speaker, in Manitoba, it seems as if the issue of extra billing has not been, in the past, a matter of serious concern since I've been a member of this House, and that privilege has been there for physicians; it has not been exercised to a great degree. I believe we have something less than 5 percent of our physicians exercising the right currently, and those physicians are in a variety of disciplines, some predominant ones having a number of extra-billing physicians within their ranks and their numbers.

Mr. Speaker, the passage of this bill, and the proclamation of this bill - and I am making an assumption which the Minister can verify at a later date - I am making an assumption that, when this bill receives third reading in the House that, in all probability, it will be proclaimed immediately.

Now, Mr. Speaker, I'm not certain whether the Minister and the government have come to grips with some of the potential problems that the passage of this legislation will have amongst those physicians who are currently using their freedom to extra bill right now. One profession within the groups of physicians, of course, psychiatrists are extra billing, and derive a certain portion of their income from the privilege of extra billing or the right to extra bill, if you will.

Now it's my understanding, and the Minister can correct me but I did bring this up during the debate on Estimates that, in passing their legislation in Nova Scotia, the provincial government sat down with, presumably the College of Physicians and Surgeons and the representative body of the physicians in Nova Scotia, and tried to determine where some of the trouble spots were within the fee schedule that existed prior to the implementation and the banning of extra billing. It is my understanding that set of negotiations allowed the passage of extra billing to basically happen as a non-event.

Now most physicians in Manitoba I don't believe have any concerns one way or another at the present time with the passage of this legislation, because the vast majority of physicians in this province do not extra bill. But I'm not certain whether the Minister and his department have come to grips with the problems and the scenarios that are being developed by those physicians who do currently extra bill, and will have that privilege and that right removed, and what the



circumstances will be in the province with that event occurring. In other words, them not being able to derive what they consider to be a reasonable income through the vehicle of extra billing. That may cause Manitoba some problems.

We note of late that we have had the loss of some physicians in Manitoba, ophthalmology being one discipline. There certainly was significant controversy over - I almost used the Peter Warren, controversy - there were certainly some concerns expressed by members of the psychiatric community, and I'm not certain the Minister has met those concerns and the government has met those concerns. That makes the passage of this legislation something that may be premature at this time until those concerns are addressed or discussed and, hopefully, mutually resolved to the benefit of the people of Manitoba.

Now, Mr. Speaker, the Minister has had a number of letters from patients who are utilizing psychiatric services in the Province of Manitoba. They are expressing a great deal of concern about the potential loss of their medical help with the disappearance of extra billing and, as patients, they don't want to see that happen. These aren't physicians who are complaining about the loss of extra billing; these are patients who are expressing those concerns to the Minister, those same patients that are paying the extra billing, and from the tenor of the letters I have received copies of that went to the Minister, they are satisfied with the service they are getting and the benefit it is to them. So they are fearful of a degrading of their services in the Province of Manitoba with the ban on extra billing.

So, Mr. Speaker, that is one concern that I have right now as to whether the Minister has that area adequately resolved and discussed with the practitioners.

The legislation, by itself, brings forward an anomaly in that, under the Canada Health Act, I do not believe that chiropractic services are included as part of the penalty clauses in extra billing. But yet, as we know in Manitoba, The Health Services Insurance Act does include a provision for reimbursement of chiropractic services.

Now, Mr. Speaker, the chiropractic profession, although it's only approximately 100 strong, have been included in this act, even though the penalty clause federally does not include a penalty to the province for any extra billing that chiropractors currently are engaged in. I can't tell you today whether any chiropractors extra bill over the fee schedule; I assume some must, but I don't even know that.

But, Mr. Speaker, without them being included by the Canada Health Act, it does appear to me to be an unnecessary and unwarranted inclusion of the chiropractors under this bill. Furthermore, I am told that they were included without consultation as to being included in the provisions of this bill.

Now, Mr. Speaker, the anomaly in that is that this government, by recent changes in the billing practice, and changes in the family billing practice, have in fact forced chiropractors who are taking care of chronic care patients, if you will, in the chiropractic field, this government and this Minister, through changes in the billing practice, are forcing the chiropractors of the province to extra bill much sooner than they had to before under the Family Billing Program, for instance,

with a family of four, to reducing the plan-covered visits from some 33 down to 16; so that after the 16th visit that chronic care patient must now pay not simply an extra office charge, but the complete cost of his chiropractic care.

Now on the one hand the Minister and the government are saying, we want to eliminate those additional patient-care costs that are imposed by extra billing of our physicians on certain of their patient groups. But on the other hand by their own decree of Cabinet, they have forced a complete extra billing on patients of the chiropractic profession. Some of those patients who are extensive patients of the chiropractic profession will be paying for services much more quickly today than they were just six short months ago.

So on the one hand the government and this Minister are saying we want to protect the patient, the user of health care services in Manitoba; and on the other hand they have passed, by Cabinet decree and regulation, changes which force those patients of chiropractic care to foot more of the bill sooner themselves. It is an anomaly, and it is a conflict of direction that this government is providing to us in this legislation and that's not unusual. We have found often the government to be imprecise in its goals and directions and this is one example in this bill.

Mr. Speaker, I suspect that when we get into the committee stage the Minister will want to answer some of these questions.

The Minister, in his Estimates and for the past several months, has been indicating that it is a desire of the government to get away from institutionalized health care. In other words, that applies across the board, not only to keeping seniors in their homes longer and hence not in personal care homes, but it also applies in the hospital system whereby this government is desirous of having more outpatient services performed outside of the hospital environment.

The reason and the logic behind it is good because the hospital institution is the most expensive area of medical service delivery that we have within the system and any effort to move services from the hospital setting to a practitioner's office, a doctor's office or to the clinic scene will, in the long run, reduce the amount of money that we're spending on hospitals and perform the service more economically outside of the hospital scene.

But, Mr. Speaker, with the passage of this bill which bans extra billing, the definition of extra billing becomes extremely important. I'll give you a small example. Let's say that a member of your family, Sir, has broken his or her arm, and the arm is in a cast. Now if the physician who changes the cast mid-healing process, does that in a hospital and ties up nursing staff, facilities, space, etc., etc., in the hospital, the materials used to reset that limb and to make the cast are all provided as part of the hospital expense; that's part of the supply scene within the hospital. But bear in mind the point the Minister is making, that that's the most expensive place to perform that service.

Now let's say that the physician changes the cast in his office. All of a sudden, in his office, he is providing the facility. He is providing the materials, the plaster, the cast material, and he is providing the cleanup and probably the attendant staff who are going to help him.

But, Mr. Speaker, under the fee system that is existing right now, that procedure is reimbursed to the physician

for exactly the same number of dollars in the hospital setting as it is in the office setting, so that we encourage, in fact, the physician to go to the hospital to do that because he doesn't have to provide the space, the support staff and the supplies and the cleanup.

So my question to the Minister, is that charge for supplies going to be an extra billing that is allowed? Is the normal recovery of costs that are paid elsewhere in the system going to be considered extra billing? That's certainly not clear in this legislation.

Sir, that extends to a number of diagnostic procedures that are currently on the market and certainly, with the advent of technology in medicine, will more and more be part of the physician's office services.

Now one of them, of course, can be described quite easily as the ultrasound process. Currently, that's done primarily in the hospital setting but yet it could very well be undertaken, where the equipment and the expertise is available, on an outpatient basis in a clinic or a doctor's office.

If that machine is owned by the physician or the physician group providing that service in a clinic or a doctor's office or group of offices, will the charge for the use of that facility, which is not owned by the hospital system be allowed, or will that be also considered to be extra billing?

You see, Mr. Speaker, that example of outpatient services became rather an interesting point of discussion during the Estimates because, in ophthalmology, one of the very top-notch ophthalmologists in Manitoba was operating a very similar-type operation in providing outpatient eye surgery out of Selkirk. Indeed he was extra billing for that service, but he owned his own equipment, and probably was justified in a certain amount of extra billing to cover the costs of that extra equipment that he owned and not the province, through the hospital system.

Mr. Speaker, the Health Services Commission is constantly faced with new procedures and requests for the inclusion of those new procedures to be part of the fee schedule. There is also a time lag between the implementation of a new surgical procedure and its inclusion on the billing and on the fee schedule. Is that time lag in which the physician is charging for the service which is not on a fee schedule going to be considered extra billing under this legislation once it's passed? Because, were that the case, then we might find ourselves in the circumstance where new procedures and new techniques are thwarted from being brought to the Province of Manitoba.

We may not be encouraging our physicians in the pursuit of excellence in their profession, but rather may be simply causing them to accept the status quo and not offer the kind of advance and change that is there in the medical system and provided by research and new technologies. So, Mr. Speaker, in one of those examples we discussed fairly thoroughly in the Estimates as well in terms of the new process for kidney stone removal.

Mr. Speaker, the Minister has introduced this legislation with very little comment, just saying that basically we're complying with The Canada Health Act. It is interesting to note that other provinces, and Ontario - I'm not certain what the status will be there now - but certainly Ontario, Alberta and British Columbia who

are much more populous provinces than ours, have much higher budgets in health than ours, seem to be hesitating in the implementation of this program. I'm wondering if those provinces are seeing potential problems in this type of legislation that we aren't considering in Manitoba and I pose that question to the Minister.

The reason I pose that question is that today, in 1985, the loss of the right to extra bill in Manitoba will not affect that many physicians. It has not presumably been utilized by very many physicians in Manitoba because, by and large, they have not seen theoretically the need to use it. In other words, their negotiation on fee schedule presumably has been reasonable in their estimation so that they did not have to undertake extra billing to maintain their incomes, to maintain their offices, to maintain their staffs.

Now, Mr. Speaker, I suppose the argument could be made by the fact that we have had physicians with the ability to extra bill, has allowed the two sides to negotiate very very openly and very very effectively. Maybe that has caused us in Manitoba to be at the very enviable position where very few of our physicians are indeed extra billing.

But now that this has gone and we are now into a trial period of compulsory arbitration - and I realize the two are not link-stepped - but now that we are in the process of compulsory binding arbitration between the government and the MMA, maybe there will be a point in time in the future where the right to extra bill may be the only way that physicians can maintain their professional freedom within the Medicare system. That doesn't exist today and, hence, I think that is fair reason why probably a substantial majority of the medical profession today don't object to, or at least are not objecting in an open way, to the loss of extra billing.

But, Mr. Speaker, the funding, the health care system and the funding for it, and the whole area of delivery of medicine is changing at such a dramatic rate today. I think I used the example back in the Estimates that 80 percent of the technology in medicine today has been perfected in the last five years, since 1980. That is a rapidly changing profession with rapidly changing priorities and rapidly changing demands on funding.

Maybe the ban on extra billing today which doesn't represent a major enough issue for the majority of physicians in this province to take the government on and to fight with the government over it today, may not be the case five years from now, three years from now, even two years from now, given the changes in funding, the changes in demand, the changes in technology in the delivery of health.

I wonder if that is why there is some hesitancy by the larger provinces of Ontario, Alberta and British Columbia for complying immediately with The Canada Health Act. I am wondering if they are seeing that the ban on extra billing will not benefit their patients in their provinces, and that possibly they perceive that the loss of extra billing will degrade the pursuit of excellence amongst their medical profession within their provinces and they find that to be a sufficient outcome of the ban on extra billing that they are not proceeding immediately with it.

Bear in mind that we do have another year-and-a-half to two years to comply with the extra billing ban and still be within the federal act and lose only interest on the monies that are withheld.

So, Mr. Speaker, when we get into the committee stage over the next several weeks, presumably, on Bill No. 2, I hope the Minister might be able to provide some of the answers to the questions I have posed today and provide a little further idea and concept of where he believes this legislation will take the medical profession and the delivery of health care in the province, not only over this year but over the next number of years; and how this legislation is viewed by the Minister and this government to be part of the new challenges that must be met in the delivery of health care; and how this legislation will be to the benefit in the long run of the consuming public of health care in the Province of Manitoba. When we get to the committee stage, I am sure the Minister will want to discuss that at greater length.

Thank you, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for St. Norbert.

**MR. G. MERCIER:** Mr. Speaker, I move, seconded by the Honourable Member for Lakeside, that debate be adjourned.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Minister of Labour, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Government House Leader.

**HON. A. ANSTETT:** Yes, Mr. Speaker, I would ask for leave for the committee to sit through till 5:30 p.m. and dispense with Private Members' Hour today.

**MR. SPEAKER:** Is there leave to dispense with Private Members' Hour today? (Agreed)

**QUESTION put, MOTION carried** and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for River East in the Chair for the Department of Environment and Workplace Safety and Health; and the Honourable Member for Burrows in the Chair for the Department of Northern Affairs.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - NORTHERN AFFAIRS

**MR. CHAIRMAN, C. Santos:** The Committee will please come to order. We are considering Item No. 3.(a)(1) Agreements Management and Co-ordination, Northern Development Agreement - Provincial: Salaries and

Wages; 3.(a)(2) Other Expenditures; 3.(a)(3) Payments to Other Implementing Jurisdictions - the Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I thought I'd like to go over the various programs which make up the Canada-Manitoba Subsidiary Agreement on Northern Development to just sort of get an update on what's happening. Programs 1, 2 and 3 I notice are - all except Program 1 is some Manitoba dollars; No. 2 is 100 percent federal and the same with 3. The DRIE office in Thompson, which is cost shared, is that office now complete and fully staffed and functioning at capacity?

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

**HON. H. HARAPIAK:** Yes, the Thompson office is fully staffed and functioning at capacity level.

**MR. D. GOURLAY:** How many staff are located in that office?

**HON. H. HARAPIAK:** That Thompson office is 100 percent federally funded, and although Deputy Ministers do have meetings, and so do staff, we have very little direct contact with them to know the number of staff they would have.

**MR. D. GOURLAY:** Mr. Chairman, I notice Manitoba was involved in the construction of this building, is that right?

**HON. H. HARAPIAK:** Pardon me.

**MR. D. GOURLAY:** The province is involved in the cost of the construction of the building?

**HON. H. HARAPIAK:** No, Manitoba had no involvement in the construction of that building.

**MR. D. GOURLAY:** So what was the total cost? Do you have that information, even though it was . . . ?

**HON. H. HARAPIAK:** No, that's a federal government program and we had no involvement whatsoever in the construction of the program, so we have no idea what the costs were.

**MR. D. GOURLAY:** Well, is that information not part of the agreement, even though some are 100 percent federal and others are 100 percent provincial; isn't that information available to either party?

**HON. H. HARAPIAK:** The construction of the building was not part of the Northern Development Agreement. There are various other Manitoba divisions that are housed in that building. It wasn't a part of the Northern Development Agreement, it was just a part of the federal government providing facilities for their departments.

**MR. D. GOURLAY:** Then Program 1, the programs that are delivered under that program from that office are cost shared, are they?

**HON. H. HARAPIAK:** Yes, it is a cost-shared program, but the delivery is by the federal people, the same as Program 13 is a cost-shared program but we do delivery in that, we don't charge them for the delivery of that program. So that's sort of a reciprocal agreement that we've got, that they do the delivery of Program 1 and we do delivery of Program 13; we don't charge each other for that service.

**MR. D. GOURLAY:** The information that I have that under Program 1, the total cost is \$2.5 million, of which the province puts up \$1 million. Is this incorrect information?

**HON. H. HARAPIAK:** Your information is correct, that is the correct split, but that doesn't include the wages of the staff, they are not included in that funding. Those figures are for project costs that you're using.

**MR. D. GOURLAY:** What activities, then, are undertaken under this program by the federal staff?

**HON. H. HARAPIAK:** In Programs 1, 2 and 3, they provide financial assistance to aid eligible northern groups and organizations in developing projects, to identification and development of proposals, that's Program 1; and assistance for the development of resource opportunities under Program 2; and the implementation of special development measures, and that's delivered in the northeast part of the province, and that is under program 3. These three programs are delivered by the federal Department of Industrial Expansion - DRIE, which is the short form - and Program 1 is cost-shared 60-40, while Programs 2 and 3 are 100 percent funded by DRIE. And all projects under both programs are reviewed and recommended by the Program Advisory Committee prior to any financial allocations being made. The Program Advisory Committee consists of representatives from the federal and provincial governments, as well as all the Native organizations that are in northern Manitoba to be sure that the northern Natives are having representation.

**MR. D. GOURLAY:** Program 4 shows \$25 million, 100 percent provincial funding, entitled Resource Development. I guess this is where many of the northern residents are concerned about the lack of visible action. I wonder if the Minister could just bring us up-to-date. What has happened in Program 4 since its inception?

**HON. H. HARAPIAK:** Before I get into Program 4, I have been informed that there are 17 staff members in the federal office in Thompson.

Program 4 is delivered by the Department of Natural Resources, so we have no input into the delivery, but they are involved in wild rice development. It involves extensive work covering information of wild rice in the seeding and propagation and harvesting and lake development of the wild rice, and also the administration of wild rice licensing, and also doing some testing in the area of the quality of seed for the wild rice program.

Also in that area is forest renewal. They are involved in promotion of renewal of forest land use, and also in production of seedlings, site preparation for scarification, also cone collection and processing, and

tree improvement and forest genetic activities. They're also involved in the co-ordination of development of a five-year silvicultural program; also they're involved in the implementation of that program.

They're also involved in the wildlife management projects, as well as fire management. That's to provide for the local governments of fire suppression crews - no, it's not for local governments - it's fire suppression crews in critical sites throughout Northern Manitoba involved with resource protection. They are also involved with park development and, therefore, providing for the construction and an upgrading of park facilities which will help create local employment and also improve the tourist industry throughout Northern Manitoba.

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

**MR. A. DRIEDGER:** Mr. Chairman, I would just like to ask the Minister whether he could elaborate on the wild rice program to some degree. I raised this under the Department of Natural Resources, and we covered it to some degree. I wonder if he could just elaborate, like under the Northern program, specifically what is happening in that.

**HON. H. HARAPIAK:** To begin with, I would like to inform the member that the wild rice program is delivered by the Department of Natural Resources, so I don't have any direct involvement, although there is a large part of my constituency of The Pas and also large parts of the Department of Northern Affairs that are involved in wild rice harvesting. Does that come under Northern Affairs?

There is also a group in The Pas which are involved with setting up a processing centre which I had an opportunity, along with the Minister of Co-op Development, to go and have a first-hand look over what they had set up there. They had a small processing machine which was very efficient, although it didn't have much capacity for processing, but they are looking at expanding it.

But the Department of Natural Resources is involved in extension work which gives more information for wild rice seeding and also helping people become involved in how they can make better use of the wild rice industry because I think quite often when you talk about agriculture in the North, I think they look at the traditional means of agriculture. But I think the potential for expanding in the wild rice industry is much greater in that part of the province than the land that is arable, so there would be more concentration on the wild rice industry then I think that there is quite a bright future for it in The Pas.

**MR. A. DRIEDGER:** Well, I most certainly agree, Mr. Chairman, with the Minister's comments about the potential for the wild rice. I think we have really not tapped it the way we can, I believe.

What I would like to find out, because we covered it to some degree under Natural Resources, how is the liaison working with this department and Natural Resources in that aspect of wild rice? The same thing would apply, let's say for example, in reforestation. I am just trying to establish in my mind exactly how is

this liaison between the two departments, or three departments, how does this work? Can you outline that a little bit? Do you have people who are working directly with the Department of Natural Resources on these projects?

**HON. H. HARAPIAK:** Yes, we have given some funding for a secretarial committee to develop and implement a five-year development plan in wild rice in the Interlake and the east shore area of Lake Winnipeg. We have nobody under our department that is involved with the planting or the harvesting of wild rice. That is an area that is being delivered by the Department of Natural Resources.

**MR. A. DRIEDGER:** Well, maybe I missed it then. Actually, what is the involvement then of the Department of Northern Affairs in this? Because some of the monies, when we went through the Department of Natural Resources, it was certain areas where it relates to the Northern Development Agreements. I am just trying to establish this in my own mind, Mr. Chairman, how the liaison works in that. I am not quite clear.

**HON. H. HARAPIAK:** In the funding, 40 percent would be coming from the Province of Manitoba. So I guess that's the only direct input we have into any of the studies or any of the work that is going on. We have just participated in the one study, but I know there are some people who are looking at possibly making a presentation to the NDA for funding to participate to a greater degree, but they are just looking at making the application yet, and that has not come forward.

**MR. A. DRIEDGER:** Well, the funding that comes through under the Northern Development Agreement - correct me if I don't grab this right - but the Department of Natural Resources actually administrates some of these programs like the tree planting and the wild rice program, and your department is involved only in terms of getting the federal-provincial funding, or am I picking that up wrong?

**HON. H. HARAPIAK:** No, those programs that I just read to you on the Department of Natural Resources are 100 percent provincial funding. That was the wild rice, the forest renewal, the wildlife management and fire management and park development. Those are all 100 percent provincial funding in the Department of Natural Resources.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** The wild rice production in The Pas area, the Minister indicated there was a co-op processing to process and market the wild rice.

**HON. H. HARAPIAK:** There are a few individuals who got together and built a processing plant. It was under a very small scale, just an experimental model, but I believe they were looking at establishing a co-op and encouraging all the producers around the area to become involved in it and maybe expand the model that has been created there. It had been manufactured in The Pas area.

**MR. D. GOURLAY:** Does the Minister have any idea, Mr. Chairman, how many producers and what kind of annual production would come out of that area?

**MR. CHAIRMAN:** The Minister of Co-operative Development.

**HON. J. COWAN:** The discussions were ongoing some time ago and, as the Minister for Northern Affairs indicated, we both had the opportunity to visit with the leadership in this area awhile back. What we can do is, when the Department of Co-op Development Estimates come up tomorrow, have that information available to you as to what progress has taken place since that time and the type of detail which you require. It would actually be something that would fall under the purview of the Department of Co-operative Development more so than Northern Affairs. So we'll be glad to get that information for you.

**MR. D. GOURLAY:** I thank the Minister for that. I do believe that there is a lot more potential for wild rice and certainly believe that we could market more than we're presently doing. I guess it takes considerable amount of expertise to get a good harvest, as I understand it.

Now, in the agricultural end of it, for the 4-H Program, is it funded through this or is that separate in the Department of Agriculture?

**HON. H. HARAPIAK:** It's 100 percent funded by the Department of Agriculture and delivered by the Department of Agriculture as well, except for the 4-H which is 80 percent provincial funding and 20 percent federal funding.

**MR. D. GOURLAY:** Under this program, it mentions ". . . development activities relating to northern resources such as forestry, fisheries, wildlife and agriculture." Is 4-H a part of this agricultural component?

**HON. H. HARAPIAK:** The 4-H Program is under the Youth Development. All we are is a co-ordinating department for all of these different groups. We don't have any direct delivery, I don't believe, on any of these, because they're either under the Department of Agriculture or Department of Natural Resources. All we are is a delivery program, but the 4-H's is a 60 percent federal-40 percent provincial cost-sharing part of the program. The permanent staff are not cost-shareable, but the program is cost-shareable.

**MR. D. GOURLAY:** I don't necessarily want to get into the specifics of agriculture but the types of activity in the field of agriculture that's funded by this program in general terms. Does it involve market gardens in a lot of the northern communities?

**HON. H. HARAPIAK:** Yes, they're involved with the promotion of agricultural crop production and they're involved with land clearing and land breaking as they were in Cormorant, Wabowden and Cross Lake, and they are also examining the potential for commercial agriculture in the North. I guess the three main areas

are in co-operative vegetable garden demonstrations. There are 10 locations which are in existence now; there is also the youth gardening which is in 13 different locations, and they are also involved with tunnel gardening. There is also forage seed production trials which are located in the Wabowden area, and there is also some vegetable and potato variety testing going on in that area as well.

There is also, I believe, about a 10-acre plot of garden going into Cross Lake this year and he's going into it on a commercial basis, so there has been some assistance from the Department of Agriculture in that area. The Department of Agriculture has also assisted the community of Cormorant in the preparation and the testing of their soils to see that they had used the proper fertilizer and they provided some of the equipment which is necessary to prepare the seed bed for them. I'm told that the seeding will be taking place this year in Cormorant as well as Cross lake.

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

**MR. A. DRIEDGER:** Yes, I wonder if we could pursue that Cormorant area development a little further. How much land is actually involved at the present time under the . . .

**HON. H. HARAPIAK:** They have cleared 66 acres at this time and, when I was there the last time, half of it was prepared for seeding of this year, and they were going to be assigning all the garden plots. They had them all assigned when I was there. The balance of the acreage, they were going to put it into forage because they are eventually hoping to establish a few head of livestock in the community so they were trying to establish a bit of forage in the area.

**MR. A. DRIEDGER:** In the Cormorant area, is that where the Tom Lamb Wildlife Management area is in as well?

**HON. H. HARAPIAK:** No, that is a different area. The Tom Lamb Wildlife Management area is when you're going into Moose Lake; it's to the right of Moose Lake, in that area, is where the Tom Lamb area was.

**MR. A. DRIEDGER:** Just on that Cormorant area back there again, can the Minister indicate - there's been all kinds of concerns expressed I guess over a period of time by people regarding the level of the water in the Cormorant Lake area there. Will this be affecting the agricultural development to any degree, or does it basically just affect some of the cottage owners around there?

**HON. H. HARAPIAK:** I am led to believe that Cormorant was at one time a thriving agricultural community and I guess they've been bothered by high water level throughout the time that they were conducting agricultural practices in the area. But for the last couple of years, they've had high water levels and I'm not sure if there was a high rainfall in the area and also there is only one outlet. There are several rivers that are coming into the Cormorant Lake but there's only one way for the water to get out, so when there is a lot of snowfall and rainfall, then there is only one way it can

go. But this spring, we were in there the other day and the water levels are down. So it just depends on how much moisture mother nature puts down in the community.

**MR. A. DRIEDGER:** Well, pardon my ignorance, Mr. Chairman, but some of the correspondence that I have received from that area, some of the people indicate that the problems are man-made to some degree. The level of the lake could very easily be controlled, would there be any merit to that? If the Minister has been there, he's probably had first-hand look at it and probably has more information on it that he can maybe impart to us.

**HON. H. HARAPIAK:** There have been several studies conducted to find out how much the area has been affected by the level of water, or the backing up of the Cedar Lake into the area, if that's affected. We are in the process right now of gathering all the information to see if there is any merit to the request that is coming from the community that we install a pump into the area so we can pump it out and control the water to a greater degree. We still haven't come to a conclusion to see if it is worth the expense to put the pump in.

**MR. A. DRIEDGER:** Has the Minister anticipated that he will be coming forward with that recommendation or report on that area shortly? What is the time frame that he's looking at in terms of . . .

**HON. H. HARAPIAK:** There has been a request for some further study and once we've got the information gathered that we have within all the departments, then we're going to be having a meeting with Ducks Unlimited who have shown an interest in participating in the area, also the Department of Natural Resources and the Department of Northern Affairs and all the people involved. We'll also involve the community members, the Cormorant Agricultural Society who have a great interest in expanding an agricultural base in the area. We will have a meeting with all people concerned and see what we can do with the water level.

**MR. A. DRIEDGER:** Just a further question, who is undertaking this study?

**HON. H. HARAPIAK:** The Department of Northern Affairs is gathering all the information that exists from all the different departments.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** Did the Minister say when the information would be all ready and this meeting would be held to discuss the situation with local people?

**HON. H. HARAPIAK:** Once we get all the information gathered, we would be having a meeting, but we don't have all the information together at this point.

**MR. D. GOURLAY:** At least one meeting or perhaps more have been held have they not to discuss this situation?

**HON. H. HARAPIAK:** Yes, there have been two meetings that have been held that I'm aware of, to discuss the

water levels. Last year was an exceptional year where areas that were flooded that had not had water on them for several years. The water was much higher last year than it had been many years before and this year the water level is down again. But last year, the water level was very high.

**MR. D. GOURLAY:** The meetings that have been held have involved the various disciplines, including, you know, the Department of Resources, Northern Affairs, Ducks Unlimited and perhaps others?

**HON. H. HARAPIAK:** At the meetings that I'm aware of, the Minister of Natural Resources was present and the Minister of Northern Affairs, the previous Minister, and also representation from Manitoba Hydro and Ducks Unlimited; they were all present at those meetings.

**MR. D. GOURLAY:** Is it the main problem that a pump would have to be installed to regulate the amount of water in that area to make it possible to carry out ranching or muskrat farming or what have you?

**HON. H. HARAPIAK:** I guess that hasn't been determined at this time yet, but I guess it is the matter of the water level being inconsistent and I'm not sure if it's because of the outlet being so small or what it is. But it seems that even for the production of wild rice, the fluctuation is such that it wouldn't be very conducive at this time, to go into the wild-rice production because the water levels fluctuate too much from year to year. So it wouldn't be feasible to put the wild rice in at this time. We have to determine what is the cause of that fluctuating water level.

**MR. D. GOURLAY:** Are there any commercial fishermen or fishing operations in that area that have to be taken into consideration?

**HON. H. HARAPIAK:** Yes, there are two commercial fishermen in the area. It would also affect the Moose Lake fishermen as well, because they now have a permit on South Moose Lake which they didn't have in previous years. So the fishermen from South Moose Lake would also have to be involved in that and that's going to make it fairly tricky negotiations. Because what might be good for the farming community or the wild rice industry, may not be good for the fish production.

**MR. D. GOURLAY:** Moving on to some of the other programs, the youth development program, I wonder if the Minister could indicate what types of activity have been carried on under this program?

**HON. H. HARAPIAK:** The two programs under here is the Northern Youth Corps and also the 4-H. The Youth Corps is involved to provide northern students with an opportunity to gain some meaningful experience from community projects during the summer months and this is primarily a labour-intensive project and in most cases, projects are of a community clean-up nature. Capital funds are raised by the project groups. Project sponsors include community councils, band councils and local MMF officers and the LGD officers.

Projects are approved on the basis of need and the lack of alternative employment opportunities are usually taken into consideration when the decisions are being made.

In 1984, a total of 500 workers and supervisors were involved in 85 projects in northern Manitoba and this program is on a 60-40 cost-sharing basis.

And the 4-H program is to assist young people in acquiring the attitudes, knowledge and skills which will contribute towards the social and economic well-being and the development of Northern Manitoba. The 4-H Program provides leadership training and development through 4-H Clubs with adult volunteers and leaders. The young people range in age from nine to 19, and each club carries out a variety of project works and leadership development programs.

The targets for 1985-86 is going to be in the area of leadership training workshops throughout the region, a junior member conference. There is one specific project, I believe, that's a training workshop, a 4-H members' workshop, and there is also going to be some continued work with leadership association. There is going to be an effort made to increase the communications between all the existing 4-H members within Northern Manitoba. This program is also 60-40 cost-shared between the Federal and Provincial Governments.

**MR. D. GOURLAY:** Perhaps we can move on to Program 14. I think we covered Program 12 and 13 yesterday to some degree. Program 14, the Remote Airstrips, I understand that there is an airstrip being worked on in the Tadoule Lake area. I wonder if the Minister could indicate just how many airstrips are being worked on, and what stages they are at.

**HON. H. HARAPIAK:** The only project we are working on right now is the Tadoule Lake airstrip. It is going to tender this summer. All the preliminary work has been done, and we feel that it would be going to tender this summer. The Department of Highways and Transportation is in charge of the tender. The equipment will have to be moved in this winter, because it can only be moved in by the winter roads. Then the construction will take place next year.

We have already done the clearing and the grubbing of the airstrip through a Northern Community Assets Project; and we have already put in \$65,000 into the airstrip for the preparatory work.

**MR. D. GOURLAY:** Are there any other communities being looked at for airstrips under this program for future development?

**HON. H. HARAPIAK:** We only have funding for this one project. Once this project's completed, the funding will be all used up. So we're going to have to see if we can negotiate another agreement and get more funding into the project, because there are several other requests.

**MR. D. GOURLAY:** There are some \$3.3 million in this program, is there not?

**HON. H. HARAPIAK:** There was \$3.2 million to begin with, but some funds have been used for upgrading



of existing airstrips. At this time, there is only \$2.2 remaining in the program.

**MR. D. GOURLAY:** Will Tadoule Lake be able to accommodate the air ambulance service for that airstrip?

**HON. H. HARAPIAK:** Yes, that's one of the requirements that were looked at, that it would be made of the specifications and length that would accommodate the air ambulance aircraft.

**MR. D. GOURLAY:** What about the other communities that are listed like Poplar River and God's River, Granville Lake and Wasagamling? Do they not have airstrips at the present time? Are they being considered for airstrips later on? Also will they be serviced by the air ambulance when they do have an airstrip?

**HON. H. HARAPIAK:** We just had our meeting with the Wasagamling people the other day, and they were telling us how important it is that they have an airstrip, but at this time they have access to an airstrip which is only six miles away. We know that it's an inconvenience for them to get to it because at this time of the year, when the ice conditions are such that they can't utilize skis and they can't use floats, they have to use a helicopter, and that's extremely expensive. So I can sympathize with the people who are living in those communities and they have to utilize this very expensive mode of transportation.

At this time the funding just isn't there, so we are hoping that we can maybe get some more federal funding transferred into the program so maybe we can deliver this. Possibly an alternative is to maybe build the roads to connect the communities where we can make use of one airstrip, rather than building an airstrip in these small communities.

So that's one of the other things we want to look at, as well as maybe one other alternative that we are going to investigate is the use of a hovercraft. Apparently there is funding available, and there are some people with a real keen interest in promoting the hovercraft as a mode of transportation. So I think this would be an exciting place to try out an experiment of that sort.

The Poplar River area, there is an airstrip at this time, but they would like to move it because it is too close to the community, so they would like to relocate that airstrip. In Granville Lake, we're still having a look at this airstrip to see if there is sufficient population in the area to warrant an airstrip or not. We haven't made any decisions on this airstrip at this time.

**MR. D. GOURLAY:** The Minister indicated that tenders were going to be called soon for the airstrip at Tadoule Lake. Does the Minister have the tendering dates as to when tenders will be closed?

**HON. H. HARAPIAK:** They are done by the Department of Highways and Transportation, but I am led to believe that they will be tendered very shortly. I haven't got the dates at this time.

**MR. D. GOURLAY:** Is it anticipated that the work would be tendered and completed during this year?

**HON. H. HARAPIAK:** No, they can't get the equipment in there. They have to move the equipment in via winter road. So it would be tendered this year and whatever preparatory work can be done by local machinery that's in there it can maybe be done by the contractor. We could hire them on whatever basis they could work out. But the majority of the work would be done the following construction year.

**MR. D. GOURLAY:** The Minister indicated that improvements had been undertaken on some of the other strips. Could he enlighten us as to the kinds of upgrading, and how much money has been spent under this program for improvements to various airstrips?

**HON. H. HARAPIAK:** To begin with, there was \$3.3 million in the program. There has been gravel given to the Shamattawa Airport, which was 49.3. There was also an equipment shop at Shamattawa Airport. It was built by Neway Construction; that was 83,000; and York Landing Equipment Shop was 60,000; and Poplar River Airways airport survey, which was 9.9; and Wasakamak airport survey was 6,000. There has been \$969,800 spent to this time and that leaves 2.30 for the Tadoule Lake airstrip.

**MR. D. GOURLAY:** I understand the air ambulance service has been delayed until the fall before it commences. Is this right?

**HON. H. HARAPIAK:** That's right. We had expected the delivery of the aircraft to be here in the beginning of June, but the latest figures we have had, there is going to be some difficulty with delivering the aircraft. So it's slated to be here now at the beginning of September.

**MR. D. GOURLAY:** Approximately how many communities will this air ambulance be able to service?

**HON. H. HARAPIAK:** We will have to get that information to you because we do not have that list here, but I am led to believe that there are very few communities it will not be able to get into, but we will give you the list. We will get it from the Department of Health.

**MR. D. GOURLAY:** I wonder if the Minister could indicate to us the evaluation and consultation program process, particularly the evaluation. Is that a yearly evaluation that's carried out between the Federal and Provincial Governments and the various departments? Is it any different than it was under the previous Northlands Agreement?

**HON. H. HARAPIAK:** Under the previous agreement, there was no formal system for evaluation, but at this time there is a formal system. The management board has established an evaluating sub-committee to assist in the evaluation of the program. The evaluation sub-committee contracted a consultant to develop a work plan by which the evaluation can be undertaken. This work plan was completed in March of '84 and subsequently presented to and approved by the management board, and the plan is currently being

used as a broad guide for evaluation activities under the Northern Development Agreement.

The management board has confirmed that the priorities for program evaluations are Community and Regional Economic Development Planning, Resource Development, Northeast Manitoba Development under Program 3, Local Government Development under Program 5, Northern Manitoba Affirmative Action Program under Program 9; and also Public Information under Program 16.

There is also consultation going on with the Agreement Advisory Committee, and it's very essential to get local input into the evaluation as well. That process is going on.

**MR. D. GOURLAY:** From time to time, and quite frequently as well, many of the northern people and people from northern communities - Indian bands and Northern Affairs communities - have been disappointed at the lack of visible economic development projects in spite of the fact that many applications have been submitted. They have gone into the consultation process and they say nothing is coming out.

I wonder if the Minister could indicate to us today what kind of projects have in fact gone through the process and are now being developed where local people will be provided long-term and equal jobs as a result of this exercise.

**HON. H. HARAPIAK:** Program 2 is totally a federal program, although there is representation of the Agreement Advisory Committee which is made up of all the different Native organizations in Northern Manitoba as well as the provincial and federal representation.

Some of the programs they have been involved in was in the Ross Island right-of-way, and that was a total commitment, \$131,000; it's going to construct a right-of-way to timber stands for harvest use, and that was for the community of Norway House. Pimichikamac - Cross Lake Development Corporation is a better way of saying it, I guess - there was \$372,000 given for that program.

I guess there have been 41 programs funded under that program, and there was \$4,271,083 committed to this time. There is still a non-committed balance of \$7,728,917 left in the program. Again I remind you, that's 100 percent federally funded.

**MR. D. GOURLAY:** I wonder if the Minister can relate in terms of the numbers of long-term jobs that have been created by these 41 projects.

**HON. H. HARAPIAK:** We don't have that information with us at this time; we can get it. There are 41 projects, as I mentioned, and we don't have the number of employees listed on this information. So we can get that information to you.

**MR. D. GOURLAY:** Yes, I think that would be of interest to us. Also, the Minister mentioned the Cross Lake sawmill area. Is it functioning at the present time, or is it shut down?

**HON. H. HARAPIAK:** The modernizing and the upgrading has pretty near been completed - there is

still a bit of wiring to do - but at this time it is shut down.

**MR. D. GOURLAY:** Is that mill still on the same location it was before the renovations, or is it in a new location?

**HON. H. HARAPIAK:** It is the same location, about 300 yards to the south of where the old mill was located.

**MR. D. GOURLAY:** Thank you, I think that's all the questions I have.

**MR. CHAIRMAN:** 3.(a)(1)—pass; 3.(a)(2)—pass; 3.(a)(3)—pass.

3.(b)(1) Agreements Management and Co-ordination: Salaries and Wages; 3.(b)(2) Other Expenditures; 3.(b)(3) Northern Flood Agreement - the Member for Swan River.

**MR. D. GOURLAY:** I wonder if the Minister could bring us up to date on the Northern Flood Agreement as to the number of claims that have been awarded and how many claims are still outstanding, if he has this information.

**HON. H. HARAPIAK:** There have been 145 claims filed in the arbitrators office and Manitoba is the sole respondent in 59 of the claims, and final settlements have been reached in eight of them. Individual claims total 51.

**MR. D. GOURLAY:** Yes, I can't recall who has replaced Mr. Ferg as arbitrator. Could the Minister indicate who is the arbitrator at this time?

**HON. H. HARAPIAK:** There was a name put forward during the previous federal administration by the name of Chapman and there was agreement by Manitoba and the bands and Hydro on that name. But once the new government came in they have submitted a new name, and agreement has not been reached yet by all the parties involved on that new person.

**MR. D. GOURLAY:** There is a new person been named, but hasn't been approved by the parties.

**HON. H. HARAPIAK:** That is correct. I have written a letter to Mr. Crombie telling him our position on the name, and we are urging him to get the name and place quickly, so it's in the federal hands at this time. So we don't know how soon that will be in coming forward.

**MR. D. GOURLAY:** How are the claims being dealt with in the interim? How are they being handled and how will they get resolved, or do they?

**HON. H. HARAPIAK:** Because of lack of an arbitrator the parties have been working in a more co-operative way and some of the claims have been settled. Even though there has been no arbitrator in place, they have come to agreements in many incidents and they have reached settlements on their own.

**MR. D. GOURLAY:** How many new claims have been filed since last year?

**HON. H. HARAPIAK:** There have been no new claims since last year.

**MR. D. GOURLAY:** So all the existing claims have been on file for a year or more then?

**HON. H. HARAPIAK:** Yes, since the arbitrator was first appointed.

**MR. CHAIRMAN:** 3.(b)(1)—pass; 3.(b)(2)—pass; 3.(b)(3)—pass.

3.(c)(1) Canada-Manitoba Special ARDA Agreement: Salaries and Wages; 3.(c)(2) Other Expenditures - the Member for Swan River.

**MR. D. GOURLAY:** I noticed the salaries are reduced quite a bit - 25 percent reduction or thereabouts.

**HON. H. HARAPIAK:** We have transferred the one analysis from Special ARDA over to research and also his expenses would also have been transferred as well. That's what amounts for that total, and the reason for that is that we have changed the emphasis of Special ARDA to be dealing with groups, rather than individuals, and it is felt the analysts would be of more use to the department in the area of research and planning, rather than in Special ARDA.

**MR. D. GOURLAY:** Well, in the case of Special ARDA for trappers and fishermen, is this being handled by the local trappers' association?

**HON. H. HARAPIAK:** Yes, there has been a greater participation from the associations. They are participating to a great degree in helping us. As a matter of fact, they helped develop a new policy which led us to go to funding groups and associations rather than individuals. There has also been a lot of co-operation from the Manitoba Registered Trappers Association who have a full-time person on staff right now who has really helped pull together the Special ARDA people, the trappers association and the fishermen. He has really helped have been very helpful in selling the new Special ARDA Program.

**MR. D. GOURLAY:** I think it's called the Manitoba Outfitters and Lodgers, or Campers Association, are they involved with this program?

**HON. H. HARAPIAK:** No, they are not involved. The Manitoba Registered Trappers Association is involved but not the campers and outfitters.

**MR. D. GOURLAY:** However, people involved in outfitting projects, would they be eligible for funding under this program?

**HON. H. HARAPIAK:** They get assistance through the Northern Development Agreement but not under the Special ARDA Program. They get assistance under Program 1.

**MR. D. GOURLAY:** As I understand Special ARDA, it's sort of in two components, one administered by the federal department and one by the province, and the

federal deal more with the economic development projects?

**HON. H. HARAPIAK:** The federal deal with the commercial end of it, and we participate in the primary producer end.

**MR. D. GOURLAY:** So there is no involvement by the province in approving or rejecting applications that would involve economic development projects, whether they be service stations or different types of businesses.

**HON. H. HARAPIAK:** They all go to committee, which we have an opportunity to review before they are approved or rejected.

**MR. D. GOURLAY:** The exploratory work on these projects is all carried out by federal?

**HON. H. HARAPIAK:** Yes, the Federal Special ARDA would be involved with the commercial end of it and we would be involved in the primary producer end. I am told by staff that there is good consultation between the feds and the province when it affects other departments.

**MR. D. GOURLAY:** So an application comes forward to the committees involving an economic development project, provincial representation would have a chance to express their opinions on the project?

**HON. H. HARAPIAK:** The appropriate department would have an opportunity to review it, then our provincial representatives who sit on that committee would also have an opportunity to represent it before it is approved.

**MR. D. GOURLAY:** Or rejected.

**HON. H. HARAPIAK:** Or rejected.

**MR. D. GOURLAY:** Thank you.

**MR. CHAIRMAN:** 3.(c)(1)—pass; 3.(c)(2)—pass.

Resolution No. 132: Resolved that there be granted to Her Majesty a sum not exceeding \$2,965,900 for Northern Affairs, Agreements Management and Co-ordination, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 4.(a) Corporate Projects, Salaries and Wages, 4.(b) Other Expenditures - the Member for Emerson.

**MR. A. DRIEDGER:** Thank you. My question to the Minister is the logging operation at Moose Lake, they send their product down to The Pas. What is the impact of the problems at the Manfor plant? Is it having any impact on the Moose Lake operation?

**HON. H. HARAPIAK:** Most of the operators that are supplying wood to the Manfor operation have been reduced by 20 percent. Moose Lake Loggers has also been reduced by 20 percent.

**MR. A. DRIEDGER:** This 20 percent reduction, is that because of lack of resource or because of the lack of functioning at the plant?

**HON. H. HARAPIAK:** The woodcutting continued on when the modernization was going on at Manfor, so the sawmill was not operating. Now Manfor is also having marketing problems with the pulp and paper. There is going to be a shutdown, so they will be having too great of a stockpile. That's why they found it necessary to reduce their cut by 20 percent.

**MR. A. DRIEDGER:** Is the Minister telling us that the plant is actually functioning properly now and that the layoffs are only because of a backlog of supply?

**HON. H. HARAPIAK:** The plant is not functioning properly at this time. In the lumbering division, they are having some difficulty with computer equipment that was brought in. It may be corrected by this time, but the last I heard it had not been corrected and they were still contemplating a shutdown until they got their computers working properly.

They were operating manually, so they were only operating to about 20 percent of the capacity. They were not operating in an efficient manner, so that's why they found it necessary to shut down.

**MR. A. DRIEDGER:** Can the Minister give any indication of how long this shutdown will be in effect?

**HON. H. HARAPIAK:** It was supposed to be for a three-week period, but then I haven't heard any later figures to see if it was going to be for a longer period or a shorter period.

I should add that there was a normal shutdown for three weeks as well, which is a normal shutdown for the summer months. That was going to be in addition to the normal shutdown.

**MR. A. DRIEDGER:** Can the Minister maybe outline a little more specifically exactly what's going to happen this summer? Are there more major layoffs contemplated for this coming summer? If so, for what period of time? Because it could have a dramatic impact on the functionings of Moose Lake Loggers as well as everywhere in the Manfor area.

**HON. H. HARAPIAK:** I think those specific questions should be put to the Minister responsible for Manfor, the Minister of Business Development and Tourism. But I know that in the Moose Lake area, they are contemplating a shutdown from mid-June until the early part of September because of the production that they have on right now. That's how long a shutdown they're going to be faced with.

**MR. A. DRIEDGER:** The middle of June until September is, I would think, a dramatically long time, and the financial impact on the operators must be substantial. Are there any alternative plans that can be looked at or employment packages that can be looked at?

**HON. H. HARAPIAK:** Yes, there is a reforestation program that will be carried out in that area, and employees have the option of becoming a part of that reforestation program if they so choose. Some employees have chosen to become a part of it, and some employees have chosen to take a layoff.

**MR. A. DRIEDGER:** That reforestation, would that be handled by the Department of Natural Resources or, Moose Lake Loggers, would that be under the jurisdiction of this Minister, you know, the program itself?

**HON. H. HARAPIAK:** The reforestation program is carried out in co-operation between the Department of Natural Resources and Manitoba Forestry.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** The Minister indicated that the mill at Manfor would be shut down for approximately three weeks to correct the computer foul-up plus the normal three-week shutdown. Do I understand the Minister correctly?

**HON. H. HARAPIAK:** That's what I have been led to believe.

**MR. D. GOURLAY:** So that there would be approximately a total shutdown of six weeks.

**HON. H. HARAPIAK:** That's correct.

**MR. D. GOURLAY:** The mill has been shut down for how long now?

**HON. H. HARAPIAK:** I don't believe it is shut down at this time. They were still operating the last I heard.

**MR. D. GOURLAY:** They're operating manually at about 20 percent?

**HON. H. HARAPIAK:** I can get that information for you. I don't think that they are shut down at this time.

**MR. D. GOURLAY:** I noticed that, under Other Expenditures, there's a considerable increase, 175,000 as compared to 124,000 last year.

**HON. H. HARAPIAK:** Twenty-five thousand of it was allocated to assist development of a new small logging operation which was in Grand Rapids and Sherridon. The balance of that is used for the losses at Channel Area Loggers at Berens River.

**MR. CHAIRMAN:** 4.(a)—pass; 4.(b)—pass.

Resolution No. 133: Resolved that there be granted to Her Majesty a sum not exceeding \$242,500 for Northern Affairs, Corporate Projects, for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 5. Northern Development Agreement - Canada-Manitoba.

But before we go to this item, the Minister wants to give some information.

**HON. H. HARAPIAK:** There were some questions asked on the air ambulance service and I've got the information now. The Citation can land on 36 strips throughout the whole province. Of these, 25 of these are in the North. Of these 25, 17 are okay under all conditions. There are no restrictions on them. Eight would depend on the conditions of the airstrip at that

time. It might be too soft or too wet or whatever, but eight are subject to conditions. Swan River is one of the airstrips that is suitable for landing under any conditions.

**MR. D. GOURLAY:** It will be when the upgrading is completed. I understand the claim cannot . . .

**HON. H. HARAPIAK:** No, the air ambulance can land in Swan River right now.

**MR. D. GOURLAY:** Oh, it does?

**HON. H. HARAPIAK:** Yes.

**MR. CHAIRMAN:** Item No. 5. Northern Development Agreement - Canada-Manitoba - the Member for Swan River.

**MR. D. GOURLAY:** Can the Minister just give us a brief explanation of this vote?

**HON. H. HARAPIAK:** 19.5 is the ongoing provincially delivered cost-sharing program. Under these, there are some which are 100 percent provincial, others are 100 percent federal, and the total of all those put together is 22,693,900 and that takes in Agriculture, Education, Highways and Transportation, Employment Services and Economic Security, as well as Natural Resources, and the only ones that we are involved in delivering directly is local government services, municipal support services and agreements management portion of the program.

**MR. D. GOURLAY:** So the vote we're reviewing right now is the money that's involved strictly by the Department of Northern Affairs?

**HON. H. HARAPIAK:** No, it includes all the departments, the Department of Education, the Department of Agriculture, under Education is BUNTEP and the ACCESS Program. Under Highways and Transportation, there is the airport development and internal roads for Norway House. Under the Department of Agriculture, it's Northern Agriculture, so it's a compilation of all that money is under this Enabling Vote.

In the other departments, for instance, the Department of Natural Resources, when they would have covered this portion of it, it would have shown up as a blank. There would be no funding for it, the same as in the Department of Highways. When it comes to the area of airport development, they would have been blank in that area. So, all of this comes in under the Department of Northern Affairs, even though we are already involved in the delivery of the programs that we have already covered.

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

**MR. A. DRIEDGER:** I wonder, just for clarification here, I'm a little confused here. On the next item, there is capital involved in this item here as well. We're talking about Item No. 5, is capital involved in there, and what is the breakdown between Item 5 and Item 6?

**HON. H. HARAPIAK:** The programs on No. 5 are ongoing programs and the capital projects are in Item

No. 6, except for the ones that go into Highways and Transportation and also construction and acquisition, capital projects.

**MR. A. DRIEDGER:** Well, that's where I get a little confused, because I thought I understood the Minister to indicate that Highways came through this Item 5 and as well as Natural Resources indication, airports.

**HON. H. HARAPIAK:** On No. 5 is the cost-shared programs other than capital, and any capital projects are in No. 6.

**MR. A. DRIEDGER:** Well, it takes a little longer with me, Mr. Chairman, so have a little patience.

What was the Minister referring to then in Item No. 5 when he talked about Highways, because that would be capital, would it not, and here he's telling me that highways are not included, and for example the airport . . .

**HON. H. HARAPIAK:** The Minister was mistaken.

**MR. A. DRIEDGER:** Then how about the airport aspect of it?

**HON. H. HARAPIAK:** The airport development and maintenance is under capital as well.

**MR. A. DRIEDGER:** That's Item 6 then?

**HON. H. HARAPIAK:** That's right.

**MR. A. DRIEDGER:** Okay, can we try again then, Mr. Chairman. What is under 5, then, because I think we started off on the wrong foot? Maybe if you can clarify that, it's going to make it a lot easier.

**HON. H. HARAPIAK:** The cost-shared programs other than capital, so that would include, under Agriculture is 4H; under Education it is BUNTEP and ACCESS; under Employment Services and Economic Security it is New Careers, Employment Services and Northern Youth Core; and under Northern Affairs is Fire Training and Co-ordination.

**MR. A. DRIEDGER:** Natural Resources?

**HON. H. HARAPIAK:** That's 100 percent provincially funded, so that wouldn't be under that area.

**MR. A. DRIEDGER:** Okay.

**MR. CHAIRMAN:** 5.—pass.

Resolution 134: Resolved that there be granted to Her Majesty a sum not exceeding \$9,323,800 for Northern Affairs, Northern Development Agreement - Canada-Manitoba for the fiscal year ending the 31st day of March, 1986—pass.

Item No. 6 - 6.(a)(1) Expenditures Related to Capital; Acquisition/Construction of Physical Assets - Northern Development Agreement - Canada-Manitoba, Northern Affairs; 6.(a)(2) Other Departments (Recoverable from Canada) - the Member for Emerson.

**MR. A. DRIEDGER:** Yes, I wonder if the Minister could maybe give us a breakdown. I think in his opening remarks he indicated various capital projects. Could we have a bit of a breakdown as to exactly what is involved in this?

**HON. H. HARAPIAK:** Under the 1985-86 request for a fire program, there is 114.5; and under roads, there is 112.5; and for subdivision development, there is 575.8; for water and sewer there is 2,756,00; for public works there is 412.2; and for waste disposal, there is 78.5, for a total of 4,049,500.

**MR. A. DRIEDGER:** In most cases, under Highways and other programs, when it comes to capital they have a list that they can supply of the various projects. I wonder if the Minister has a list of the various projects that come under this category.

**HON. H. HARAPIAK:** We have got the list at this time, but the department is still in the process of prioritizing which programs will be prioritized before going to the department of - so many are to the Department of Highways. They have estimated costs on them, and I guess we are going to be going to the tendering process so we would not want to make this information public.

**MR. A. DRIEDGER:** I can appreciate that end of it and I don't want to know the costs. I want to know the specific projects. For example, when the Minister of Highways presents his road program, he doesn't put any costs there. He just indicates which roads are going to be under consideration. That is basically what I'm asking. I'm not asking for the costing factor necessarily, but which programs are designated. Does the Minister have difficulty with that?

**HON. H. HARAPIAK:** We can give you a list of the projects we have here now, as long as you know they're not public knowledge at this time.

**MR. A. DRIEDGER:** Like I indicated before, I am not concerned about the money end of it. If that is a problem, you can delete that, but just so we could see which are the projects where this money is intended to be spent.

**HON. H. HARAPIAK:** It's a fairly lengthy list. I can provide it to you at the end of the day if you would prefer to do it that way, because there are about 20 sheets here of projects. So I'm not sure if you would want me to read them all to you or how you would prefer to handle it. I can give you a list at the end of the day.

**MR. A. DRIEDGER:** I have no difficulty with that as long as we get a list somewhere along the line, and you can delete the figures, I don't care, as long as we know which projects are on there. Basically, in a sense, we're dealing with the Estimates here of the amount of monies that would be expended, and we'd like to know which projects it's going to be expended on.

**HON. H. HARAPIAK:** We can provide you a list with the figures deleted. If that would satisfy you, that's what we'll do.

**MR. A. DRIEDGER:** See, the only difficulty I have looking at it this way is that we don't really know which projects the Minister has on there and which he doesn't. So we can't really give him a hard time, asking why doesn't he have this one on there or this one not on there. It puts us at a little bit of a disadvantage. We could start maybe picking up individual situations throughout the North where we say, is this included on there? We're not going to be difficult about it but I think maybe the Minister understands what I'm trying to say.

**HON. H. HARAPIAK:** I'm sure that in your travels through the North that one of the groups that you would stop and consult with is the community councils. This list has been developed with consultation with the community councils. So if the community councils that you have been in contact with have some pet projects that they would like to see included, they are probably on there. You'll see when we give you the list that they are probably included in the list.

**MR. A. DRIEDGER:** That's fine then. If the Minister gives us the undertaking that he'll supply us with a list of those because for all the possibilities that are there, we might be having to administrate that program after a little while. So it's important that we maybe get to know where we stand on this situation.

**MR. CHAIRMAN:** Fair enough, fair enough.

**HON. H. HARAPIAK:** We all operate in hope.

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** I would appreciate getting a copy of the Capital projects. Did I understand the Minister has a list of those that are approved and are to be undertaken this year?

**HON. H. HARAPIAK:** It is the entire list of projects that have made the list this year, but we have not prioritized to this point. We still have to prioritize it.

**MR. D. GOURLAY:** When does this take place? In the case of the Minister of Highways, he brings in the list that they've decided to proceed with in the current year. Why can't the Minister tell us now - we're into Estimates - as to the kinds of capital projects that are approved for this year and will be proceeded with in this year?

**HON. H. HARAPIAK:** All the projects that are on the recommended list are on there right now. They are all there, but the figures are included. So we'll give you a list of all the projects that have made the list this year, the projects we will be proceeding with - very shortly, we'll have the list for you.

**MR. D. GOURLAY:** I would like to ask the Minister, I brought this up in question period about the Salt Point Tourist Lodge road. This has been under discussion. Apparently, the Minister of Highways has been involved with the individual from Waterhen that's interested in getting this road in. I understand that he purchased

the lodge with the understanding that he would be getting a road.

I find it strange that the Minister of Highways appears to be in favour of this, and recommended to the owner of Salt Point Lodge that he go to see Mr. Morrissette, the Deputy Minister of Northern Affairs, which he did. The owner says that he was told by the Deputy Minister that the final decision has to come from the members of the opposition. What kind of information is the Deputy Minister providing to people from the various communities?

**HON. H. HARAPIAK:** I don't think that our Deputy Minister would have given out information like that. He is aware of the decisions of the government, and we will not be abdicating that responsibility. We will be making those decisions, but that road is not built under the Capital projects process. It would be built under the Roads to Resources, which is a different program again.

**MR. D. GOURLAY:** What does that come under in your Estimates?

**HON. H. HARAPIAK:** That program is budgeted under the Department of Highways. All the Department of Northern Affairs does is prioritize the programs that we see as a priority to us as a department.

**MR. D. GOURLAY:** The decision is made by the Department of Northern Affairs, and carried out by the Department of Highways?

**HON. H. HARAPIAK:** That's correct.

**MR. D. GOURLAY:** So when will the decision be made? We're into the tourist season now. It doesn't look like it's going to be any good for the Salt Point Tourist Lodge for 1985.

**HON. H. HARAPIAK:** No, it definitely will not be in for the 1985 tourist season.

**MR. D. GOURLAY:** Why wasn't Mr. Chartrand given that information, rather than the runaround that he got?

**HON. H. HARAPIAK:** I'm led to believe that he was given that information.

**MR. D. GOURLAY:** When was he given this information, and by whom?

**HON. H. HARAPIAK:** The meeting was held in the Deputy Minister of Northern Affairs office, and there were four other people present at the meeting.

**MR. D. GOURLAY:** When was this?

**HON. H. HARAPIAK:** In March.

**MR. D. GOURLAY:** March 1st?

**HON. H. HARAPIAK:** He hasn't got his calendar with him, so he would have to check that out.

**MR. D. GOURLAY:** Well, if the Minister is asking the opposition for approval of this, he certainly has it, and I put it on the record that we will probably end up building it if it's not happening in 1985.

I would then go on to another question about the South Indian Lake situation and the houses. From time to time, there has been a fair amount of publicity about the state of condition of many of the houses in South Indian Lake.

Can the Minister bring us up-to-date on the upgrading of those homes this year?

**HON. H. HARAPIAK:** The Department of Northern Affairs has put \$129,000 into the upgrading of those homes, and the majority of the work has been carried out. There is still some work being carried on at this time, but we are led to believe that they are very near completion.

**MR. D. GOURLAY:** Who is carrying out the work on these homes in South Indian Lake?

**HON. H. HARAPIAK:** The Manitoba Housing and Renewal.

**MR. D. GOURLAY:** How many homes are involved?

**HON. H. HARAPIAK:** It's approximately 59 homes, but I would have to check that figure, but I think it's in that vicinity.

**MR. D. GOURLAY:** I understand that the ferry from Cross Lake has been moved to South Indian Lake. Is that work completed on the ferry and is it ready to function?

**HON. H. HARAPIAK:** Apparently, it's going to be flowing down the Rat River on June 3rd to get to South Indian Lake.

**MR. D. GOURLAY:** What was the estimated cost of this project and what is the actual cost?

**HON. H. HARAPIAK:** The department had budgeted \$400,000 and the tender came in at \$385,000.00.

**MR. D. GOURLAY:** The budget was \$400,000 and the estimate . . .

**HON. H. HARAPIAK:** The tender came in at \$385,000.00.

**MR. D. GOURLAY:** \$385,000.00.

**HON. H. HARAPIAK:** Yes.

**MR. D. GOURLAY:** And the work has been basically completed now?

**HON. H. HARAPIAK:** Yes, it is supposed to be going down the river on June 3rd.

**MR. D. GOURLAY:** As soon as the ice is . . .

**HON. H. HARAPIAK:** That's right.



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

**MR. A. DRIEDGER:** Mr. Chairman, now that we have the list here of the projects, I just want to raise a few more questions.

The first thing I would like to have clarified, up on top here it says, "Recommended Capital Projects for 1985-86," and then it lists the communities and the projects. Are these all the projects that will be undertaken?

**HON. H. HARAPIAK:** Yes, that is correct.

**MR. A. DRIEDGER:** Would the Minister just clarify maybe a little bit? He indicated that some had to still be approved by the Department of Highways.

**HON. H. HARAPIAK:** I was referring to the roads to Resources at that time, and these capital projects are all delivered by the Department of Northern Affairs.

**MR. A. DRIEDGER:** Okay. All the ones that are listed, for example, when it says "Bissett, fire equipment; Dauphin River, drainage maintenance," all these projects here, they come under this Item No. 6?

**HON. H. HARAPIAK:** That is correct.

**MR. A. DRIEDGER:** And they will all be undertaken by the Department of Northern Affairs?

**HON. H. HARAPIAK:** We hope to take them all, but it all depends on the tender process that sometimes if the tenders come in higher than we estimated, then we may have to eliminate some of the programs. The communities may change some of their priorities as well. So then, if the community changes their priority, we may not proceed with some of the projects that have been listed.

We are also looking at 34 of these programs being delivered by the communities themselves. We are looking at creating employment opportunities, and we feel that's the way that the local community people will get a greater opportunity to participate in them if we have them delivered by local community councils.

**MR. CHAIRMAN:** 6.(a)(1)—pass; 6.(a)(2)—pass.

6.(b)(1) Acquisition/Construction of Physical Assets; Other Capital Projects; 6.(b)(2) Northern Flood Agreement.

6.(b)(1)—pass; 6.(b)(2)—pass.

Resolution No. 135: Resolved that there be granted to Her Majesty a sum not exceeding \$6,287,100 for Northern Affairs, Expenditures Related to Capital, for the fiscal year ending the 31st day of March, 1986—pass.

Back to the Minister's Salary, Item No. 1.(a) - the Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I would thank the Minister and his staff for providing us with the answers during the review of his Departmental Estimates.

However, I would like to re-emphasize the very important department that the Minister is responsible

for. The people that live in those communities have many concerns that have been brought to my attention and colleagues of mine in the Legislature from various communities. I think they have been outlined, going through the Departmental Estimates, under the Administration section.

But I re-emphasize the fact that the Northerners are very concerned about the lack of visible economic development projects that will provide the kind of employment opportunities that they wish to become involved in. They feel that they have been let down, because of the degree of fanfare that was brought about by the signing of the Northern Development Agreement and now, some two-and-a-half years later, they are still waiting to see what kind of action this program is going to bring to the individual communities and to the individuals that live in those communities.

Certainly, we haven't received any answers here today other than some what appear to be short-term kind of employment opportunities, whether it be through the Canada-Manitoba Agreement or whether it be through the Community Assets Program of the Jobs Fund. I believe that there has been a lot of money spent not only by this administration but by the previous administration in the consultation process with local people to find out the kinds of needs and development that would be required in the various communities to develop their resources to provide jobs. This is the main concern that people have is to have a job, not just a short-term job, but something that they can work at for the long term.

Another area that has been brought to our attention is the lack of what the local people feel is quality education and the Minister has recognized that there is a problem here. He has agreed to talk to and discuss the problem with the Minister of Education and her colleagues to try and resolve this problem; not only in Northern Manitoba, but in Manitoba generally.

And, of course, an ongoing problem for many years now, has been the lack of adequate housing for Northerners and we have seen the kind of homes that are being offered to northern people that are not satisfactory; they're not standing up under the kinds of weather conditions, the kinds of lifestyles these people live under. They don't appear to be designed properly; they're very costly. There's no way that these people can ever begin to afford to purchase them, although they are trying to do that. So it's becoming very frustrating for them.

I know that during the previous administration, we undertook to have studies or to put high priority on to redesigning and engineering the types of homes the people wanted, that they could afford, and the practicality of them for the area. I don't see that this has been followed up on. The homes are not really conducive for people to want to purchase them at a cost of \$70,000 and up. So those were some of the main concerns that I would hope and I feel that this Minister probably is concerned about.

I believe that, of all the Ministers we've had that we can probably expect to get the kind of attention that Northerners would like to have, so that I would hope that the Minister would take the suggestions as constructive and that we can see some visible action by the actions of this Minister in the immediate future. I can't go beyond the immediate future because we

don't know what will happen. We have a pretty good idea what will happen.

Again, I thank the Minister and members of his staff for his co-operation in providing us the answers.

**HON. H. HARAPIAK:** I would just like to thank the member for those words. He suggested last night that there should be some consultation or committee set up to go around and study the concerns that exist in northern communities and possibly he will be available to take on the position of chairman of such a study after the next election. To show that we are not biased, we would appoint a former Minister of Municipal Services and Northern Affairs to be the chairperson and have a study to see some of the needs in Northern Manitoba.

I'd like to make a few comments, Mr. Chairman, in closing and to address some of the comments that have been made by the honourable Member for Swan River. The member stated that there was a lack of commitment on behalf of this government and the record would speak for itself. He indicated again the lack of commitment by the present administration and the way the department was relating to the communities. I would like to respond by saying that the present administration has encouraged and will continue to encourage northern communities in the development of local autonomy and greater control.

He made the comment that there was no sign of economic development that we had promised. I would say that I'm not sure you're visiting the same communities that I am, because I have visited many communities in Northern Manitoba and we have tried to maximize the opportunities and utilized the local natural resources that exist in that area. If there is a possibility of some forestry operations, then we have participated with the community and tried to set up a small forestry operation to let it grow and let the community prove that they can run this resource and then it can grow on its own. We don't want to force-feed something that's going to die shortly after.

We have also encouraged local tourism and park development and we've also worked hand in hand with the fishing industry. So I think that wherever there is an opportunity for local development, we have participated, also in the delivery of some of the programs. In the delivery of the water and sewer systems in Northern Manitoba, we have encouraged local participation and it has gone a long way to creating employment.

Communities under The Northern Affairs Act are characterized under three types of administration. There are some that are in trust; some under self-administration; and some under block funding. Under block funding, they have greater control. We are again working with communities, not to force them into block funding, but we are showing them what benefits have come to the community of Cross Lake and the positive effect that it has had in those communities, that it is a positive way to go and we're encouraging more communities to look into that area.

Under the previous administration, between the years of 1977 and 1981, where two of the people here were members of the Cabinet, there was an increase of one community entering under the category of self-

administration; whereas under our present administration, there has been to date, an increase of seven communities under self-administration and in fact, a further six communities are now under block funding. I have no doubt that this administration has assisted communities in a common goal and that being self-administration. We are moving in that direction.

Currently, we have only 19 communities in trust, compared to 26 communities in trust, under the administration which ended in 1981. I would also like to add that this year, out of 53 Capital projects, 34 of these projects will be locally delivered and they will be administered by the communities with preference given to hiring local contractors and local residents to deliver these programs.

Mr. Chairman, the facts prove without a doubt, that there is certainly no lack of commitment by the present administration.

The Member for Swan River also raised the question as to why a regional office will be located 200 miles away from one community, namely, National Mills, in the Dauphin area. I'm sure, Mr. Chairman, the question was raised due to the fact that the office which was established in Swan River has been closed. This was due to an evaluation which is carried out within the Department of Northern Affairs and we saw that it was less costly to operate out of the regional office in Dauphin than to give a branch office in Swan River. The worker from the branch office in Swan River went to the communities and had to continue on to Dauphin to the head office in order to complete his work. In fact, all Swan River was doing was making it unnecessary for the coordinator to make a round trip by the Dauphin office.

It was just as easy and less costly for the co-ordinator to stay in the hotel in the area in which he had worked than to have an office in the Swan River area. We'll have an evaluation of this after some period of time. Maybe it would make more sense to have that co-ordinator covering that area located in The Pas area rather than Dauphin. But we'll have an evaluation after it's gone on for a year and see which is the most practical place to deliver the services to those communities.

There is one comment that the honourable member made that I do agree with and that is his concern over the number of dollars that have been spent in the area of private consultants and the lack of economic development created at the community level in relation to dollars being spent in consultants. I want to tell the members that I share those concerns with you and I think that there have been too many dollars spent in the area of studies. Most of these communities have been studied four and five times, and we can dust off any number of studies that sit there on the shelves that will give you all the information that is necessary. All we have to do now is put some of this funding into the community level to create some economic development, and we are doing that. I believe that the money should be directed more towards economic development and providing jobs for Native Northerners, rather than being used for consultants' fees.

Since the honourable member and I are in agreement, I would ask the member if he can assist me when speaking to your federal counterparts with the Minister who is involved with DRIE. I would hope that you would

give the message to your federal counterparts so he would put some of these funds towards economic development rather than into consultants' studies.

As you are aware, we have an agreement in the Northern Development Agreement, and that particular part the member spoke of is 100 percent federally funded out of the office in Thompson. Although part of that agreement, the decision to direct monies towards consultants is not part of the overall program, we feel that it's a decision that is being made by the federal people. We would like to change that direction as well.

I don't say that there is no need for consultants at all. There are some needs for consultants when you're going into some projects, when you are deciding on what necessary routes there are to take. Then I think that there is sometimes a requirement for a study.

The member also mentions there was some confusion over at the community level with respect to the preference clause, particularly related to the Hydro Limestone agreement which is part of the Limestone. I think we had quite a discussion on that last night, and I can table the report that he has asked for. The report was tabled in the House last Friday, but we have an additional copy of the agreement that the Member for Arthur asked for last night. We will be tabling that report.

The community councils have been given the necessary information and the department is working very closely with the communities to ensure there is a better understanding of what is meant by the preference clause in the tendering document. In fact, we want to ensure that the preference clause is followed very closely.

If you have run into some additional areas where there is confusion over the Northern preference clause, I would suggest that you would tell the people to contact their community councils, because the community councils have been given all the information which is necessary to deal with the Northern preference clause. So I would suggest that you would direct the people to the communities.

I would also suggest that, when you are in your Northern travels, you would take a map with you just so you can show the people exactly where - there is a confusion over there, if the line comes in a Northern Affairs line or under the Northern preference line.

The member also mentioned that there was need to study the education and housing. I too feel that the housing that has been delivered is not the type of housing that is going to be meeting the needs of Northern people. I think there are a couple of good examples in housing which we can be proud of, and that's the housing in Camperville which is supplying good-quality housing, and also the houses that were built in Easterville. They were built by local people, utilizing local material. I think that's a direction that we have to go.

I guess, with those comments, I would like to thank the members for participating in this process, and also thank the staff for all the assistance they provided me with during the Estimates process.

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

**MR. A. DRIEDGER:** Mr. Chairman, I'm just surprised the Minister has made a longer statement and tried to

impart more information at the winding up when we're on the Minister's Salary than he did when he opened up his Estimates. I find it sort of unusual that he had a prepared statement that he was going to finish off with. If he had done that initially, we could have probably gathered a lot more information and moved along a little faster than we did.

**MR. D. ORCHARD:** You taught him so much in the Estimates.

**MR. A. DRIEDGER:** Maybe that was a point.

So I would just like to indicate to the Minister that words are easily spoken and easily written. In our travels up there, that is one of the things that maybe the Member for Swan River did not impart to this Minister that well, that you can go up there and talk and listen but the action hasn't been there. That is why there is unhappiness out there, and that is why we have made a point to tour up North because the people are unhappy. They're phoning us because they're not getting action from this government. It is for that reason, Mr. Minister.

I realize that this Minister has not been in the office that long yet. If he can follow through with what he's said that he will do, well that will be fine. But I would just like to indicate that we'll be watching very carefully — (Interjection) — no, no . . .

**MR. CHAIRMAN:** The Member for Swan River.

**MR. A. DRIEDGER:** No, I'm still at it, Mr. Chairman. I was just going to draw this to the Minister's attention. That is a problem that apparently has been developing out there, consulting and going out and talking and promising. Regarding Limestone, we had groups tearing around all over the North indicating how great our job opportunities would be, how they'd set the whole thing up. Seemingly, that isn't developing either.

You cannot blame the people up North for being suspicious of government, especially this government which seems to have changed to some degree. Before an election, there are lots of things promised, supposedly committed, and then after two, three years, three-and-a-half years now - and the previous Minister of Northern Affairs is here as well - he has been a great one for running around the country and promising all kinds of things.

Basically, nothing has changed. You maybe have hired more consultants, but the action hasn't been out there. I can't see where this government can get up and hold up their hand and say, we've done such a great job up North. That isn't so. They haven't done anything.

That is why this Minister need not necessarily try and look for plaudits at this stage of the game and congratulations. We hope that he can come through with some of the intentions that he presented. He'll find out it probably won't be quite that easy.

With those comments, Mr. Chairman . . .

**MR. CHAIRMAN:** The Member for Swan River.

**MR. D. GOURLAY:** Thank you, Mr. Chairman. I had to leave briefly. I thought that I wouldn't get a chance to ask some questions in the other committee, but they're not going to finish up so I'm back here.

I would just like to say that the Minister can make all kinds of flowery statements which he has read into the record about what this government is doing in Northern Manitoba, but the fact is you go and talk to the people in the communities in the North, and they're not happy with the results and the actions of this government. It's evident everywhere you go.

I have some eight Northern Affairs communities in my constituency, and they are very unhappy with this government and particularly this Department of Northern Affairs. They have indicated to me that they are not happy with the fact that there is no co-ordinator located in Swan River. The Minister has indicated there has been consultation. I don't believe that he's had consultation with the various communities, because the elected people from those communities that I serve in my constituency have indicated to me they think the Department of Northern Affairs is a disaster at this time.

I'm saying that I believe it's up to this Minister - he's new in the department and I feel that, if anyone on his side of the House can have some impact, he has a real challenge there. I also said that he doesn't have much time to work on these challenges, because we will be facing a general election within the next year and few months and so the Minister has to get on with some of the serious difficulties that are evident in most, if not all, of the Northern Affairs communities, and I had pointed out some of the problems that had been brought to my attention. I think the Minister had said he's not sure the kind of people that I had been talking to. I talk to the people I meet in the various communities, regardless, I believe some of them have been our supporters, I believe some of them have been supporters of this government, but I have a feeling that a lot of these people, who have supported this government in the past, are not about to do so in the upcoming election unless this Minister can make some very evident and visible changes for the betterment of these communities and to the people.

**HON. H. HARAPIAK:** Mr. Chairman, I would just like to say to the Member for Swan River that I, too, have travelled through many parts of his constituency and sure, there are some disagreements with what the government is doing, but I guess there always is some disagreement, but I guess we're going to have to agree that we must be talking to different people, because I have heard a lot of support for some of the programs that we are carrying out under this administration. We were in Duck Bay two weeks ago and the community of Duck Bay was very happy with some of the things that have gone on in their community.

There are some areas north of Swan River that I hope to get into yet very shortly and hopefully maybe I can work together with the Member for Swan River and resolve some of the issues that are outstanding, and I'll certainly be taking his advice, because I think he's a man of common sense and he'll be giving some good advice. So, I'll be talking to him and seeing some of the deliveries we can make in his area for the betterment of the people of Manitoba.

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

**MR. H. GRAHAM:** Thank you, Mr. Chairman.

Mr. Chairman, I guess politics and the role of government is one of perception and it's what people see happening and what they believe is happening that has an influence in other ways, and when the people see what's happening right in the Minister's home town, when they see 400 people getting indefinite layoff notices after another bunch had already been laid off, when they see the disaster that has happened with Manfor, when they see how much money is going in the pockets of one man to run the whole show, and when you're paying a quarter-of-a-million a year for professional management to see the disaster that has happened, computers that don't work, machinery that doesn't line up, they can only get 40 percent capacity out of pot. That rubs off, Mr. Minister, on you, and it rubs off on the Northern Affairs Department and that's why people start getting disturbed and upset, because they say if the Minister can't look after his own backyard, how does he expect to look after the bigger garden of the North?

That is what causes the concern that has been expressed by the Member for Emerson and from the Member for Swan River. Maybe the people aren't saying this directly to the Minister. I hope they do, because they have certainly been telling people on this side of the House that have talked to them, that this government doesn't know how to run things, that they can't make a success of anything, and it has adversely affected the Minister.

I feel sorry for the Minister, because I think he's a nice fellow. He's new in his job and we certainly wish him the best because it's our concern. I have to tell the Minister our concern is not for his health; our concern is for the health and well-being of the people of Northern Manitoba and that has to come first. If it means that this government and this Minister are not trusted by the people, then I would say the sooner we have the election the better so that the people can make their choice and let the people have their say in what goes on in this province, because the Minister hasn't been doing the right things for the people of Northern Manitoba. I would be remiss in my duties as an elected member if I didn't express my concern to this committee about this member and this Minister.

So, Mr. Chairman, with those few words, and the closing of the Minister's Estimates, I would hope that the Minister takes these words to heart because they're well intentioned. It's the concern of the people of Northern Manitoba that has to come foremost.

**MR. CHAIRMAN:** 1.(a)—pass.

Resolution 130: Resolved that there be granted to Her Majesty a sum not exceeding \$1,012,300 for Northern Affairs, Administration and Finance, for the fiscal year ending the 31st day of March, 1986—pass.

What is the pleasure of the committee?  
Committee rise.

## SUPPLY - ENVIRONMENT AND WORKPLACE SAFETY AND HEALTH

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

Item 5.(b)(1), Worker Advisor Office: Salaries - the Member for Niakwa.

**MR. A. KOVNATS:** Thank you, Mr. Chairman.

We are on Worker Advisors. I would ask the Minister at this time whether we can - are Worker Advisor, Workers Compensation all in one, or will Workers Compensation come under Minister's Salary; whatever the Minister prefers?

**MR. CHAIRMAN:** The Minister of the Environment.

**HON. G. LECUYER:** Thank you, Mr. Chairman.

My suggestion, if the member has no objection, is that we deal with the Worker Advisor now and then we proceed on with the compensation immediately following.

**MR. A. KOVNATS:** Okay, we'll go on Worker Advisor at this point.

Can the Honourable Minister advise how many workers advisors - worker advisors I think is the correct terminology - that the government has hired to assist the Workers Compensation Board?

**HON. G. LECUYER:** There are presently six worker advisors, plus a director and two support staff. There were seven worker advisors last year, so there is altogether one less than there used to be, and there is one support staff less than there used to be.

**MR. A. KOVNATS:** Can the Minister advise if we are in the process of training additional people to be worker advisors?

**HON. G. LECUYER:** There is presently a program aimed at training workers to assist their colleagues in the workplace. It's a program that was announced some time back. This is not, on the other hand, to be confused with the government Worker Advisor Program. This particular program consists of training seven workers advisors - I use the term loosely in that respect; perhaps the word is incorrect. It's to train seven workers who have an interest and some expertise or knowledge of the compensation system to provide them with the additional training so that they can go back to their workplaces and assist their colleagues in dealing at least with the more common type of complaints or questions that might arise, assisting them and directing them where they can pursue their case when they have problems or appeals. So the program itself is intended to carry on for one year.

It is a program which is funded out of the Jobs Fund and out of monies set aside in that fund from the monies that were saved as part of the renewal of the MGEA contract last year and the savings of \$10 million, which had been set aside for projects which would be set up and followed through in consultation with the Manitoba Government Employees Association.

So that particular program is intended to go on for one year and it's part of the program. There is actual formal training as well as working with individual members of the Worker Advisor Office to assist in bringing down the backlog of cases that are pending in the Worker Advisor Program.

**MR. A. KOVNATS:** To the Honourable Minister, it seems that if it's being funded under the Jobs Fund, but I am trying to receive a balance here and I am not sure what the balance is. When he says that they bring these seven worker advisor trainees, so as to speak, for training, where do these people come from? Are they coming from the workplace? Let's be blunt about it. Are they union representatives? Are we funding union representatives to be trained in the Workers Compensation? You know, where is the fairness of it, if that is what the case is? It looks like it's being all one-sided. I am not against it if the same thing is done for the employers, but I think this is what the Workers Compensation Board is all about is to try and reach a fair settlement for both parties.

Can the Minister advise if these people are union representatives and are picked, because they are union representatives?

**HON. G. LECUYER:** The trainees actually are themselves workers. They belong to various union groups. The member has to remember that the funds themselves were set aside with a commitment that the program to be followed or undertaken as part of those funds would be in concurrence with the Manitoba Government Employees Association and, as such, all of these seven workers that are on this training program are all people who come from the workplace. As I said before, they are on a one-year training program.

If the member wishes, I can further indicate that there is one from the CUPE, Local 1500; there is one representing the Manitoba Government Employees Association; there is another one from CUPE, Local 500; there is one from the International Association of Machinists and Aerospace Workers; there is one from the Public Service Alliance of Canada; there is one from the United Food and Commercial Workers Union; and one from the Graphics Union. I believe that covers the seven that I referred to. So they are from a variety of union associations.

**MR. A. KOVNATS:** Thank you to the Minister. It frightens me, Mr. Minister, in regard to the unfairness of this. I was wondering whether the Minister would care to pick some people from management to give them training also. What is the reason that seven unionists were picked? Was it because of political beliefs and political support? Why wouldn't the Minister give the same consideration to the employers' group?

Can the Minister advise how the selection was made to send these seven people in here for training for a one-year period, which seems to just about coincide to the time that there will probably be an election in the Province of Manitoba, because I don't think that — (Interjection) — there will be one prior to that, but it seems to coincide for the time that an election will be called and these people will be out in the force, in all probability, supporting the people that hired them.

Can the Honourable Minister advise how these people were picked?

**HON. G. LECUYER:** I repeat what I said a while ago, and perhaps the link has not been understood by the Member for Niakwa . . .

**MR. A. KOVNATS:** Possibly not.

**HON. G. LECUYER:** . . . but the fact is that these are monies that were set aside for Manitoba Government Employees Association programs and therefore, in essence, the members that were chosen to be participants are not chosen by ourselves. It's not strictly a government program per se, this training program. It's a government program, yes indeed, because our money is in trust as part of the Jobs Fund Program, but the program, as I indicated originally when it was set up, was set up in joint consultation with the MGEA as was a commitment, which was originally undertaken at the time, that these monies were set aside.

The other thing is, there is no, in my mind anyway, apparent unfairness on the part of the program, the people who are the claimants or the injured workers, the Compensation Board, are workers, they're not management. The management per se does not intervene in support of workers' claims. Sometimes, management intervenes to appeal against a claim that is put forth. In which case, they usually have their personnel officer represent them, or legal counsel, in appealing claims. So there's a very major difference that has to be understood. You know, we're referring to the claimants who are injured workers in one way or another, rather than management. But I should mention for the member, that on the other hand, there are ongoing meetings between the Compensation Board and employee representatives to keep them fully informed of policy changes or whatever other changes there might be in the operation of the Workers Compensation Board. I personally meet with them as well, at least once a year and the Compensation Board meets with them more frequently than that.

**MR. A. KOVNATS:** They are not worker advisors. They are just training with worker advisors; am I correct in that assumption? Because you're not going to get me speaking against worker advisors. I think that they have a role to play and they are doing an adequate job. I have met some of them and I know that there's a place for them.

But I just couldn't understand how management, through their taxes, through the Jobs Fund is sending these people in, not to work against management, but I just can't see the use of it unless they are training for worker advisors and that doesn't seem to be what they're doing. They're working with worker advisors, but they're not training to be worker advisors. Am I correct in that assumption?

**HON. G. LECUYER:** Yes and no, Mr. Chairman. In a sense they're not worker advisors in that after they're finished that training program, they will not continue to act as members of the Worker Advisor Office. On the other hand, they will be in a position, having a good understanding of the operation with the system, be in a position to assist colleagues in the workplace, who have claims or injuries, to be able to better channel them, etc.

As I say, they will not be worker advisors per se, but they will be in the position to be able to assist and in that manner help reduce some of the current heavy burdens which are on the shoulders of the worker advisors.

You know when the system wasn't put in place there was, as a result of a realization, that there were not

only many claims that were pending over past years, but on an ongoing basis there were many workers that did not know how or where to proceed in order to bring forth their claims and have them resolved.

So the bureau is there to assist all of the workers of Manitoba. It should - as well in that process or as part of their training - be able to provide some of that assistance which might go some distance into cutting down some of the backlog that is currently still part of the overall workload of the Worker Advisor Office.

The only other comment that I want to add is - just so that the member, I don't think he exactly said that, but these monies are not part of the assessment rates imposed on the employers. None of the costs of that program are being shouldered by . . .

**MR. A. KOVNATS:** I didn't say that.

**HON. G. LECUYER:** Okay.

**MR. A. KOVNATS:** To the Honourable Minister, I didn't say it was from the assessment rates, but it comes from the taxes of the people of the Province of Manitoba through the Jobs Fund. That was all that I was establishing.

Now when we're talking about the worker advisors, is this group especially trained to go back into files, outdated files, you know that have been ruled on and adjudicated, possibly 10 to 15 years back? Are they trained to go back and to go through these files and pick out files that they don't think were properly considered, and in what way do that pick out particular files? Because I have some people that have been in contact with me that have received no support from the worker advisors. I've looked at some of the medical files, and boy oh boy, like there is 10 or 20 days of solid reading and I try to be of some help and I can't be, because I just don't have the time and I'm going to give the Honourable Minister that responsibility when I'm finished. I'm going to give him the names of some of those people with the medical files that go back a long time. In some cases, they're absolutely deserving of another look.

Are these people, the worker advisors, specially trained to go back 10 and 15 years after there's been rulings in cases that were adjudicated 10 years ago; are they prepared to go back and find some support in seeing that the cases are reopened, even though it's a fait accompli, like it's all over?

Can the Minister advise the routine and what happens when these people go back that many years and how they reopen a case, because I think that I would like to be able to suggest to some people who contact me, and I think will probably be contacting the Minister after the next election when he's in opposition, so that he can be of some support to them? I'm trying to learn now because I would like to find out - can the Minister advise how they pick out particular cases and investigate those cases?

**HON. G. LECUYER:** I'm afraid, Mr. Chairman, that I certainly would have to undergo very extensive training before I would be in a position to be able to properly assist the injured workers. The member, in his comments, points to some of the extensive skills and



training that would be required in order to be able to do that. The worker advisors themselves do not peruse any old cases or anything of that nature.

The only cases that the worker advisors deal with are the ones that are brought to them by the claimants themselves, so those are the only files that the worker advisors deal with.

Now there can be a case that has been closed years past and the claimant ten years later might go to the Worker Advisors Office and feels that his claim was not properly dealt with or because there was re-injury and there can be a claim on the re-injury. Although the worker was injured once and was rehabilitated back in the workforce, he may be re-injured, and that may cause a reopening of his case. Of course, the individual would still have a file that goes back a substantial number of years and that, as the member indicates, gets thicker and thicker as the years go by; and indeed there's medical records in there, as well as a great deal of other information, because obviously a claim is not accepted or rejected strictly on the basis of one type of information. It's on the whole package of information that is in his file.

So there is there is no automatic reopening of cases. That has to occur only on the basis of the claimant requesting assistance of the worker advisors, and those trainees, therefore, would not be working with any of the files that are not current files being worked on by the Worker Advisor Office.

**MR. A. KOVNATS:** I just didn't want to pass it too quickly because a couple of things come to mind and I do have notes on it.

Can the Minister advise whether the people from the Injured Workers Association have any involvement at all with this worker advisor group, any involvement at all? Does the government fund the injured workers group in the same manner in which the worker advisor groups are funded, because I understand now that there is some funding for that group and you know, these are the people who have been there and these are the people who would know what it's like to be injured and have support for some of the injured workers. I'm not against people like that. It's an important thing to give these people consideration and show them that they're not out in left field and just waiting for things to happen. What association do they have with the worker advisor group or with the Minister's department?

**HON. G. LECUYER:** The Injured Workers Association essentially is just that: a voluntary association that provides guidance, counselling to injured workers and they are not part of the worker advisor bureau, they are not funded by any government program. They do assist, in certain cases, injured workers who come to them for assistance and, in some cases, where there are difficulties that they themselves cannot resolve, they may come to the Worker Advisor Office to seek advice as to how to counsel the people who see them.

The Injured Workers Association, Mr. Chairman, really is in existence because, until there was a Worker Advisor Office, there was no other body to assist workers. They came into existence at that time and still continue in existence because there is still a role for them to play, especially in terms of providing moral support and

counselling to injured workers. They themselves, generally, were injured workers, and I would suspect that most of them are retired and continue to provide this service to injured workers on a voluntary basis.

**MR. A. KOVNATS:** A group of people from the Injured Workers Association came up to visit in the Legislature and I think they probably appealed to both sides, the Conservatives and the New Democrats, inasmuch as I don't believe them to be political, but I happen to know one of the chaps is who minus a hand and we have been friends for a long time so I have a special interest in this group. I thought they were looking for funds and that there was funding and if the government didn't give them funding I'm at a loss to see where they would get funding.

Are they just working out of the goodness of their hearts or is there any funding at all for these people? They just can't carry on and maybe they were asking for some funds and, if they were, is the Honourable Minister going to provide them with any funds, particularly with the suggestion that there's a place for them and that they could be of some help in his department?

**HON. G. LECUYER:** There was no funding provided to them at any time in the past, nor is there any funding provided this year. I do believe that perhaps a couple of years ago they had sought some funding assistance and unfortunately we weren't in a position to provide it, especially at a time when we were very much in the process of implementing the Worker Advisor Office.

I certainly do agree that they provide a very worthwhile service to injured workers. They carry on a very laudible activity and they want to see that the injured worker is not forgotten in the whole process of our ongoing government activities. They don't want to be forgotten or ignored and they want to pursue, of course, the interests of injured workers.

As I said, they themselves are injured workers or former injured workers and very much of their service is provided - unless they get some form of assistance from other sources that I am not aware of - out of the goodness of their hearts, indeed it is.

**MR. A. KOVNATS:** I was at the meeting just the other day and the Ombudsman was at the meeting presenting his case for additional employees in his department. I posed a question to him as to why he needed additional employees, and one of the reasons was that they take a special interest, through the Workers Compensation Board, in checking to see what rulings are made. It's almost on the same type of work as what your worker advisor is doing. They are picking up the cases of the people who are injured and trying to resubmit them. They've not received satisfaction, I would believe.

Can the Honourable Minister advise whether any of these cases are now before the board, because it seems that there's a position other than a worker advisor that's required and the Ombudsman is seeking to fill a place like that. Should I be supporting the Ombudsman in requesting additional employees to do the work of a worker advisor?

**HON. G. LECUYER:** As far as I know, there are very few compensation cases that go to the attention of the



Ombudsman. There are certainly some. These would be cases, as the member has referred, where the injured worker has exhausted all avenues and there are - and we'll get into that when we get into the compensation, if the member is interested in terms of how a case is pursued - a variety of avenues and reviews and appeal processes that the injured worker can go through.

In spite of that, there are certain instances where claims cannot be approved. In the estimation of the overall process of adjudication and review and appeal, there are still claims that cannot be accepted by the Workers Compensation Board and generally this would be the type of - I think the member implied that the Ombudsman goes through the decisions on the various cases and chooses some that he might want to pursue.

**A MEMBER:** No, I don't think so.

**HON. G. LECUYER:** No, he doesn't. It would have to be someone who would then go to the Ombudsman and the Ombudsman is there to serve the whole population of Manitoba and, as such, would have to certainly give them an ear in terms of hearing their case, and if he decides to pursue their case to the board, that is an avenue open to him, certainly.

**MR. A. KOVNATS:** It would be a wonderful situation if the Ombudsman didn't require any help and all of the claims were settled to everybody's satisfaction. I know that's not the case, but I'm just going to bring up one point again before we pass this item.

When we talk about these worker advisors, going back 10 or 15 years and adjudicating according to the way that the act was written 15 years ago, these people, these worker advisors have to be pretty talented people because they are now having to adjudicate the same things before submitting them again to the Board for special consideration. So I guess that they must be pretty talented people, and I just want the Minister to know that I am not against them until such time as I find out that it's more political than what I believe it to be at this point.

**HON. G. LECUYER:** Mr. Chairman, there is not much to add to that, except to echo at least the fact that these people certainly are fulfilling a very necessary and useful role. If we only judge by the workload that they have, it's certainly a warranted service that is not only useful but absolutely necessary in the Province of Manitoba.

Other provinces have similar programs, of course - the member might know that - in place. I believe there are quite a number of provinces - do you have the exact number? - I was going to give the member an indication of the other provinces that also have a Worker Advisor Program. There are four other provinces: British Columbia, Saskatchewan, Ontario and New Brunswick, that have a similar program in place.

**MR. A. KOVNATS:** Could the Honourable Minister advise whether Manitoba was the first to implement a Worker Advisor Program?

**HON. G. LECUYER:** No, British Columbia was.

**MR. A. KOVNATS:** I'm very disturbed, because the former Minister got up and seemed to take credit for

all of these renovations and changes and things of that nature. He got rid of the previous board helter-skelter because, oh, just for the sake of change, as he said, but I think that I've got some remarks to show where it was a little bit political a little bit later on.

Well, I'm not one to be a political beast, but I just wanted the Minister to know that it's going through my mind that there is some politics involved. I would hope that the Minister would run this program and all of the other programs through the Workers - (Interjection) - thank God, I've got this thing in my ear, because I can't hear the people in the back making those remarks. I'm deaf in this ear, and this one only allows me to hear the Minister, thank God - (Interjection) - no, I won't. I hear what I want to hear.

Anyway, I would say that I had thought it was the previous Minister who initiated the program, but it's not against this Minister. The only reason that I make that remark is that I know that the Minister is his own man, and he's not just following the policies that were laid down for him because some of the policies that were laid down, I disagree with completely. We will be getting to that when we get to Workers Compensation.

Do you want to pass this item, and then we'll go to Minister's Salary because, if we go to Minister's Salary, I don't think that there can be any staff that would come in to assist. - (Interjection) - Pardon me?

**HON. G. LECUYER:** We have agreed that we would, when this was passed, go on to the Workers Compensation Board.

**MR. A. KOVNATS:** Fair enough, but before we go - it would be under this item, but not under Minister's Salary. Okay.

**MR. CHAIRMAN:** 5.(b)(1) - the Member for St. Norbert.

**MR. G. MERCIER:** Just on a point of order for the record, Mr. Chairman, it was agreed in previous years that under the Salary of the Minister responsible for the Workers Compensation Board, staff and members of the board, if necessary, would be brought into the House or when it was in the committee and the committee, just as in the Attorney-General's Department, under Salary, the Attorney-General brings in representatives of the Liquor Commission.

**HON. G. LECUYER:** Yes, Mr. Chairman, staff from the Workers Compensation Board will be here. As soon as we pass this item, I do want to introduce the item with a statement - I'll provide a copy - and then we can have staff from the Workers Compensation Board.

**MR. CHAIRMAN:** 5.(b)(1)—pass; 5.(b)(2)—pass.

Resolution No. 67: Resolved that there be granted to Her Majesty, a sum not exceeding \$3,369,000 for Environment and Workplace Safety and Health, Workplace and Worker Services, for the fiscal year ending the 31st day of March 1986—pass.

Item 1.(a) Minister's Salary, the Workers Compensation Board - Mr. Minister.

**HON. G. LECUYER:** Mr. Chairman, I would like to begin by introducing the Workers Compensation Board

section by making a statement. I would like also to make a copy of it available to the official critic. — (Interjection) — Well, Mr. Chairman, I assume that we would follow the same protocol as we do when we begin and I would make that statement and then staff would come in.

The member will find that attached to that statement there is a news release that is dated, I believe, today or yesterday, which simply made a very brief announcement to the effect that we were proceeding - because I had, I believe, stated that yesterday and I thought that it would be appropriate to make a brief news release statement to the effect that we are proceeding - with a review of the act. We've stated that many times already so, in that sense, it's not new, but it does indicate that we are presently trying to seek the members to carry out the function of the review on which, as the member will notice, there will be three members; one to be named by the employee groups, another to be named by the employer groups to part-time members on this Committee which will be chaired by the full-time chairperson. None of these have yet been appointed.

Mr. Chairman, I would like to make some opening remarks regarding the Compensation Board. I am sure the members will be interested to learn of the programs and progresses that have been made during the past year. The Workers Compensation Board of Commissioners is committed to the principle that the injured worker has, by virtue of The Workers Compensation Act, the right to the provision of support services to the Workers Compensation Board with the use of the funds the employer has provided.

The Board of Commissioners believe that the delivery of these services should be in a manner that is accountable to the injured worker, the employer and the community as a whole. It is the government's wish that the Board of Commissioners continue to carry out their mandate in this fashion which endorses a fair and equitable approach to both workers and employers.

Mr. Chairman, I would now likely to briefly touch on some of the improvements made in the Workers Compensation Board during the past year. First, a new on-line computer system provides a faster and more efficient service to injured workers and employers. A more sophisticated system of reporting financial information and statistics has also been achieved.

Secondly, certain departments were relocated within the existing Board's offices in conjunction with the implementation of the new on-line computer system. This has allowed for improved communication in consultation between departmental staff members.

Thirdly, steps taken to improve client services included (a) the addition of seven telephone lines and 58 locals to aid accessibility to the injured to the Workers Compensation Board, as well as a direct dial access code which was established and allows for direct contact with Board employees.

As well, the design of benefit cheques to allow for a cheque stub outlining payment information. On average, cheques are now received on time by the majority of claimants.

(c) The implementation of a file tracking system to monitor file movement between departments and to assist in search-and-retrieval techniques. Files are now located within minutes of their request as compared to hours or days which occurred previously.

(d) Meetings with major industry and labour groups were held to discuss items of mutual concern in 1984 and this will be carried out in 1985.

(e) A series of meetings between medical practitioners and the Workers Compensation Board was established and will be continued in 1985.

(f) Participation in conferences, business shows and public speaking engagements continued in 1984 and are, again, intended to be continued in 1985.

(g) As well, specialists and orthopedics and internal medicine and a practitioner experienced in biological research were added to the Medical Services Department staff in 1984. A nursing administrative officer was hired to assist in monitoring the medical management of claimants and to assist medical officers in day-to-day file review.

h) Studies related to internal policies and procedures are ongoing. The Board's review and development of several policies has provided a clearer direction for adjudication. Procedure manuals were developed for medical aid and for the vocational rehabilitation of service departments. These are now available for public distribution on a subscription basis. Formalization of other departmental procedure manuals will continue throughout 1985.

4. Further review of a criteria for acceptability of cardiac claims took place in 1984 and completion is expected in the near future.

5. Implementation of the Section 100 Rehabilitation Advisory Committee recommendations led to ongoing review and expansion of vocational rehabilitation services in the following areas.

(a) Defining the eligibility and services aspect of the rehabilitation program through a procedure manual.

(b) Expanding the development of a job bank and re-employment services through additional re-employment officers and the establishment of a job finding club.

(c) Developing an effective system of file referring between the claims department and the vocational rehabilitation department to ensure a continuation of services.

(d) Obtaining the services of additional vocational rehabilitation counsellors as the initial approach to reducing the ratio of case load to counsellor.

The evaluation of the Board's rehabilitation programs will continue throughout 1985. A review of the Board's operation with regard to the effectiveness of the time lost monitoring procedures has commenced. This included consultation of the Manitoba Medical Association to discuss and evaluate the existing forms for medical reporting on compensation claims.

As well, I am very pleased to inform you that the majority of recommendations contained in the Lampe, the Cooper, the Cereco and the Section 100 Reports have now been addressed and implemented.

Mr. Chairman, the Lampe Committee was commissioned by the previous government in 1979 following criticisms of the Workers Compensation Board. After conducting public hearings, reviewing legislation and evaluating claims medical and rehabilitation procedures of the Board, the Committee released a report in the summer of 1981.

This report contained 129 detailed recommendations for improving the Workers Compensation system. Only two of those recommendations had been addressed

at the time that we took office in November of 1981. I'm very pleased to inform you that since the present government took office 71 further recommendations has been implemented; 18 had been partially implemented; 33 will be dependent on future legislation; 3 are under review; 2 have been rejected as not being viable at this time.

Mr. Chairman, all of these improvements, however, have cost implications. To move forward from the 19th to the 20th Century, it was necessary for the Workers Compensation Board to increase assessment rates. In order to provide services to labour and industry similar to the services provided in other jurisdictions and recommended by the Lampe Report, it has been necessary to increase costs.

However, for the record, I would like to make it very clear and unequivocal that although compensation costs have increased during the past three years, this largely comes about as a result of the comprehensive Lampe Report, which the opposition had commissioned in 1979.

Unfortunately, they were unwilling at that time to address the report or perhaps they did not have sufficient time to do so. However, our government has had the courage and the foresight to act on the report and bring the Workers Compensation Board out of the Dark Ages.

It was not the intention of this government to attach blame for the inconsistencies and inequities over the past year, but before the opposition challenges the present government for the actions of the Board, let them be fully aware that workers in this province will no longer tolerate the treatment they were afforded over the past decades.

Let the opposition also clearly understand that if they would have acted on the Lampe Report, compensation costs would have increased instead of decreased while they were in government.

This government believes that our business and labour communities are entitled to at least the same benefits and services as those of the business and labour communities throughout the rest of Canada. It would, indeed, be very difficult to evaluate the exact costs of the implementation of the recommendations of the Lampe Committee, but these recommendations have led to a vastly improved compensation system, which obviously has led to an increase in assessment rates. At the same time, government has been sensitive to the economic situation of our business and industry communities and has limited the increases needed by the Workers Compensation Board at this time.

For example, in 1984, the Board recommended an average rate increase for Class G employers of 53 percent. Governments subsequently approved an average of 20 percent in order to avoid creating financial hardships for employers during the early stages of economic recovery. Government also initiated a one-time \$4 million contribution to offset the cost increases. Therefore, a further operating deficit of \$17.2 million has resulted in class fund operations during 1984.

For 1985, the Board recommended an average assessment rate increase of 70 percent in order to meet its obligations under Section 66.1 of the act. Consistent with the approach implemented in 1984, whereby the unfunded liability will be recovered over a number of years, the government approved an

average increase of 20 percent. In spite of the increase, Manitoba's average assessment rates continue to remain the lowest in Canada. Many rates are still only marginally higher than they were 10 years ago in 1975.

The average assessment rate in 1975 was \$1.18 and is expected to reach \$1.28 in 1985; an average increase, therefore, of only 1 percent per annum.

The Provincial Auditor commented that the Board's present unfunded liability position was inconsistent with Section 66.1 of the act. To comply with the act, as suggested by Mr. Ziprick, government would have had to demand an additional 50 percent increase in rates which government considered would have a detrimental effect on job creation in the business and industry sectors.

The government considers that the 20 percent average increase allocated in 1984 and '85 strikes a reasonable balance between overburdened employers and letting the deficit grow too large. The continuation of reasonable and responsible assessment rate increases will allow the Board to gradually achieve a fully-funded position which is the objective of this government.

Mr. Chairman, requesting the Board to limit the increase in rates was neither unusual nor precedential. Several other Provincial Government Compensation Boards have had to resort to similar approaches in times of economic restraint. As well, legal opinion indicated that an immediate amendment to the current legislation is unnecessary as the forthcoming review of the act will address and resolve this issue.

Furthermore, the Lampe Committee cited rehabilitation as a major deficiency of the previous Board. Workers were not being rehabilitated and instead were being passed on to some other social agency such as Welfare, Unemployment Insurance, etc. The taxpayer was actually underwriting the costs for rehabilitation, rather than the Workers Compensation Board.

Mr. Chairman, there have been major improvements in the rehabilitation since 1981, as reflected by the following statistics:

The rehab disbursements in 1981 amounted to \$417,000.00. In 1984, this represented \$7,882,000.00. Similarly, in the comparison of the number of counsellors per caseload in 1981 versus 1984, there were five field staff and a caseload of 925; whereas in 1984, there were 17 counsellors with a caseload of 1,225.

Mr. Chairman, abuse has been cited as one of the reasons for escalating costs, but the Workers Compensation Board has implemented measures to limit abuse of the compensation system. The Board has recognized that some visibility periods may be protected. In some instances, this is due to the lack of medical monitoring. The Board is in the process of establishing monitoring procedure for the health care received by the injured workers.

As well, as I've already mentioned a while ago, the recommendations from the Committee 100 Report indicated that the rehabilitation services were far inadequate and certainly inequitable and that they had to be implemented at a very early stage in order to bring the injured worker back into the workforce as early as possible.

As well, they are embarking - and I'm referring here to the Workers Compensation Board - on an awareness

program directed to the health care community outlining the benefits of early and adequate treatment and an early return to work. Meetings are also being held with the Manitoba Medical Association in order to improve the quality of medical reports and reporting procedures.

As well, the Board has established a policy covering fraud cases. Currently, four cases are under review and being considered for prosecution. One has thus far been prosecuted and convicted. Furthermore, the Board has implemented a structural appeal process, which is equally available to the employer as well as to the employee.

In summary, Mr. Chairman, the major factors leading to the increased compensation rates are: the introduction of the recommendations of the Lampe Committee; an insufficient increase in rates over a number of years; increasing wages, leading to higher rates of compensation; the inconsistent application of the act in previous years which gave rise to artificially low compensation rates; the increased costs of medical and chiropractic services, largely to the use of more in-depth diagnostic techniques; the reluctance of business and Industry to employ and re-employ injured workers; an increase in rehabilitation costs and disbursements; and the introduction of the recommendations contained in the Lampe, Cooper, Cereco and Committee 100 Rehabilitation Committee Reports.

Mr. Chairman, the Cooper Report, which followed the Lampe Report, was released in June of 1982, containing 11 charges, of which 10 were substantiating. All 10 of Inspector Cooper's findings and the government's recommendations to address those deficiencies have been fully implemented.

The Cereco Report on administrative procedures was released in July of 1982, containing 30 proposals, of which 22 recommendations have been implemented, with three under review and five being long-term goals, which are being phased in on a graduating basis.

The Section 100 Committee Report on rehabilitation procedures was released in October of 1983, containing 19 comprehensive recommendations, of which 11 have been fully implemented and three have been partially implemented; three require legislation and two are under review. The Section 100 Committee recognized that the fact that the new administration's change in philosophy regarding rehabilitation had resulted in a greater number of workers being entitled to the services of the rehabilitation program, instead of inappropriately being passed on a social agency.

Ostensibly, the implementation of these recommendations have cost implications, but again these were essential to move the compensation system in Manitoba from the 19th to the 20th Century. Mr. Chairman, in view of the increased costs, some employers have requested a demerit system be implemented by the Workers Compensation Board.

In 1984, an in-house committee was structured to study and evaluate the pros and cons of a merit rebate system and forward its report to the Board. The report of the merit rebate and the special additional assessment programs was completed with the recommendation that an experienced rating system should not be implemented in Manitoba and that the very limited plan now in effect, with some industry groups, be closely evaluated with regard to its current and future viability.

The report recommended that an extensive review of the classification system should be completed prior to considering the implementation of an experienced rating program. The Board has circulated the in-house report soliciting input and comments from the business and industry sectors.

Mr. Chairman, the overall operation of the Workers Compensation Board of Manitoba compares quite favourably with other jurisdictions. In 1984, the total cost charged to the Class Fund operations was approximately \$72 million. I could go on into the details in terms of the whole benefits paid, administration fees, etc. The member has been provided with a copy of this, so I will let him peruse this and if he has any further information or questions on that, I will be glad to answer.

Mr. Chairman, in ending these remarks, I want to say that the improvements the Workers Compensation have, and will continue to be a high priority of our government. We believe we have already accomplished major strides in structuring a more just and equitable system by introducing the majority of the recommendations contained in the four reports already mentioned.

With the majority of these recommendations in place, our government is now in the process of carrying out a comprehensive review of The Workers Compensation Act. In keeping with our government's commitment to consultation, both industry and labour have had input into the structuring of the review, and along with other interested sectors of society, will have continuing participation as the review is conducted.

The act has not been reviewed since 1957 and for decades has been revised and reformed by introducing legislative amendments on a piecemeal basis and, as might well be expected, this has made for a lack of consistency, in some cases almost contradiction. A complete review of the act will ensure that the Workers Compensation system will provide fair and humane legislation for injured workers, as well as equitable and consistent legislation for employers.

Mr. Chairman, as costs of compensation increase, our government intends to redouble its efforts to prevent workplace accidents and disease. The thrusts of these efforts will include encouraging labour and industry to continue their readiness to work together on a consultative, compatible and co-operative basis. As well, we intend to focus our efforts on the re-employment of injured workers. Providing employment to an injured worker not only reduces the costs of compensation, which in turn produces a positive effect on job creation, but of equal importance, gives the worker the opportunity for a dignified return to the workforce through gainful employment. Furthermore, rehabilitation costs can be reduced dramatically, but only if employers are willing to employ and re-employ injured workers.

In summary, Mr. Chairman, it is the hope and goal of this government to continue with our objective to keep moving the compensation system into the 20th Century and establish a fair and equitable approach for workers, employers and the community as a whole.

**MR. A. KOVNATS:** I've got to be a little critical of the Honourable Minister. When he was reading the report there were some little remarks on the side there, it says, "Pause," and you worked a little bit too fast, Mr.

Minister. So I wasn't able to quite keep up with the reading of the report, so if I ask any questions that have already been talked about or suggested in the report, I hope the Honourable Minister will forgive me.

**HON. G. LECUYER:** Certainly.

**MR. A. KOVNATS:** Mr. Minister, I listened with great attention and I've got to go right back to where it makes reference to the Lampe Report. It starts off on Page 5. It says, "The committee released their report in the summer of 1981," making reference to the Lampe Report. Page 6, "Unfortunately, only two of these recommendations had been addressed when the government took office in November of 1981," a matter of two or three months and an election in the meantime. — (Interjection) — We did take some action.

When the Minister advises that it's going to take him two to three years to select sites for recycling dangerous goods and being critical of only two items from the Lampe Report have been looked after in this very short time.

He also makes reference that there will be a review of The Workers Compensation Act, which could take up to one year and a half. Mr. Minister you won't be making that change - in a year and a half there will be a change in government also.

Commencing in the fiscal year ending December 31, 1981, the operation of the Workers Compensation Board has resulted in the gradual deterioration of the financial position of the class fund.

**SOME HONOURABLE MEMBERS:** Oh, oh!

**MR. CHAIRMAN:** Order please.

**MR. A. KOVNATS:** \$32 million in surplus is gone, plus 14 million more and still rising. Is that the board policy? Will the Honourable Minister advise?

**HON. G. LECUYER:** Mr. Chairman, obviously the comments the member addresses, I dealt with in the introductory statement, but certainly it's not a policy of this government to purely increase the cost for the sake of increasing cost. I'll have to remind the member as well as the Lampe Report, I also mentioned three other reports which the present government has dealt with in improving services in the compensation system.

But the member should know, and I've indicated that awhile ago, that if some of these changes - and I also indicated in that speech, I'm not throwing the blame on the opposition for not doing certain things - I'm saying, here's what we have done, but to do these things has cost implications.

Now as well I've indicated that still leaves Manitoba presently with the lowest assessment rates in the country. At the same time I've indicated - and I know and I recognize - that there is an unfunded situation which is very small in comparison to many other jurisdictions. Ontario's unfunded situation, for instance, is in the order of close to \$5 billion and I'm sure that they're no happier about that situation than we are.

On the other hand, I've also indicated it is our commitment and our desire to see that the operation of the compensation system functions as a fully funded

system, as intended under Section 66(1) of the Act. But we have decided to do and proceed in a way which we thought would be reasonable and practical under present conditions.

As well, the member has to keep in mind that the costs are reflective of a great variety of factors. These changes that I have referred to, the fact, for instance, the by-law, the pensions or the compensation benefits reflect the wages in force at the present time. The ceiling on which these are based is adjusted annually as per a provision of the law, and that ceiling has increased from \$21,000 to \$28,000.00.

As well, the costs of medical examinations has increased. I've mentioned the cost associated with providing rehabilitation services to the injured workers. There are a great variety of factors, one of which we have absolutely no control of, is the cost that is due, for instance, through the protected period that the workers are off work on benefits. In many instances, that is a direct reflection of the fact that there is great deal of difficulty of injured employers to find work because in many instances the employers are not so ready to re-employ them. So there are a great many factors which account for the cost.

As I indicated, some of these - we are in the process of bringing the compensation system where it should be over a period of a few years, in less than four years. We are doing our utmost to bring that system where it should be and, of course, that means substantial addition to costs over a short period of time.

All I've indicated is that is some of these services have been put in place gradually over a period of years, not only while the members of the opposition were there, but in the term prior to that, if that had been started, the increased costs would have been absorbed over a longer period, the rates would have gone up gradually over that period of time, rather than having gone down during that period of time and finding ourselves today at a point where the rates are similar to what they were in 1975. Yet we have to provide the services that are reflective of the needs of today and pay the costs that are reflective of salary costs, in terms of how we pay out the benefits, medical costs, chiropractic costs, etc., which have, of course, increased between 1984 and 1975.

**MR. DEPUTY CHAIRMAN, D. Scott:** The Member for Niakwa.

**MR. A. KOVNATS:** I don't know how you can justify the increase in rates to employers today for what happened years back. Sure, it was somebody else's responsibility, but I just don't see how you can hit them all at once or even in the next five years - which I think is the intention of the board or the government to increase the rates over the next five years on a regular basis - an average of 20 percent which really isn't 20 percent.

But I'm going to leave that just for a bit. I've got something else that I wanted to get into concerning the unfunded liability.

**HON. G. LECUYER:** I want to make one comment, Mr. Chairman. On that particular comment I simply want to add - the point I'm trying to make is that we're not

charging them for the services that were not being provided in years past. We're saying that we're implementing those services today and charging for them today.

**MR. A. KOVNATS:** Unfunded liability, the difference between the estimated future cost of all existing claims, for as much as 50 years into the future; and the amount of the money that the Workers Compensation Board has set aside now to meet these projected costs. What is the total unfunded liability of the Province of Manitoba?

**HON. G. LECUYER:** Mr. Chairman, just to correct that a little bit, not the Province of Manitoba but the Compensation Board of Manitoba. The unfunded liability is \$13 million.

**MR. A. KOVNATS:** I don't believe it.

**A MEMBER:** It's true.

**HON. G. LECUYER:** Look at the Annual Report.

**MR. A. KOVNATS:** Well, you can take your figures and you can do anything you want with them, but \$14 million is the unfunded liability for the Workers Compensation Board - not very likely. I have a hard feeling trying to understand why employers of 1985 could be charged and saddled with expenses from the distant past. We'll get back to what we were talking about before; a 9 percent increase and two 20 percent increases and the future increases of an average of 20 percent - from everyone that I've been in contact with, Mr. Minister, the increases have been in excess of 20 percent. I know that the Minister has said 20 percent, and I have seen the report, but I think that the 20 percent is by the number of employers. It's not by costs.

I notice that there was something in his report about the Board differences. He makes no reference to the change in the Board from 1981 when the new government took place, and the removal of the previous Board. Can the Honourable Minister justify that these increases and the depleting of the unfunded liability fund were not caused by the new employees that were brought into place - understand the question now - that were brought into place and the changing of the old Board. The old Board seemed to be able to control and keep a reserve in the special fund and as soon as the new Board came in, the fund started to be depleted - it is now in the deficit position.

Can the Honourable Minister advise whether it was because of the new policy of the Board that increased the deficit?

**HON. G. LECUYER:** The member has referred to a variety of things. I don't know if the member has a copy of the Annual Report there, but if he has, he can refer to the statement of the class fund operations on Page 14 and the statements of reserves on Page 13.

Now, the member also made an allusion to the fact that he doesn't believe the assessment rates increase that I have referred to. I said that there was an average rate increase of 20 percent which is made of a variety of rate increases from as low as 0 percent to as high

as 100 percent. In 71 industry classifications, 47 received rate increases of 20 percent or less, and 24 received increases greater than 20 percent.

Now, the other comment that the member made was in reference to the depletion of the reserves. Now, the member reflects on the present Board as versus the past Board and, indeed, maybe he should. We've indicated that the implementation of the services to injured workers - for instance, rehabilitation - the member will not disagree that the injured worker should not be - and I hope the member is listening - rehabilitated as he's entitled to and should not be brought back to the workforce as quickly as possible. That can only happen through a variety of medical services that are going to have to be provided to the injured workers in order to see that that happens.

That costs, indeed. Now, it costs in a variety of ways. It costs because the benefits themselves have increased, as I indicated earlier; the salaries have increased and medical costs have increased, chiropractic costs have increased. The salary ceiling on which these are based is statutorily defined in the act and, of course, that has increased between 1981 and 1984.

So, obviously, even if we were to provide the same lack of services as was being provided in 1981 and before, we would be paying much higher costs, but to provide the services that should be provided, and the implementation of all these recommendations from the four reports that I've indicated have not only added costs, but have added also savings, efficiency of services to the employers and employees of Manitoba and a great deal more fairness in the overall system.

I will certainly not back down from that. As I say, the whole intent of the compensation system was implemented to provide fair and equitable services to the injured workers.

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

**MR. G. MERCIER:** Mr. Chairman, first of all, I want to speak to the Minister's indication that the government is now going to review The Workers Compensation Act, and to put it in perspective, this comes from a government that cancelled a public judicial enquiry contrary to the strong recommendations of the then Ombudsman, Mr. Maltby. They conducted a private enquiry and released a very short edited version. It was a very limited review not subject to review and examination by parties. They arbitrarily fired all the members of the previous Board and replaced them with NDP Government political appointments, in spite of the fact that for many, many years employers selected half the Board and the Chairman of the Board, people like Mr. Jones, Mr. Johnston, Mr. Wilson, Mr. Cowsley have been long-time career civil servants. They fired virtually every member of the senior administration staff, Mr. Chairman, and this Board is now having to pay out hundreds of thousands of dollars in severance pay, pension in lieu of damages for wrongful dismissal.

Now, Mr. Chairman, we have the Minister stand in this House and say the government is not going to follow the law, they're not going to follow The Workers Compensation Board Act. This comes from a Minister

and a member of a previous government whose previous members criticized the previous Board because they had no budget. Do you remember those days, Mr. Chairman, when members opposite in the government criticized the Workers Compensation Board because they had no budget? This is a Minister and a government responsible for their politically appointed Board that have carried on the deficits for the last three years that have been referred to. They had the nerve to criticize the previous Board because they say they had no budget.

Now, Mr. Chairman, to place the review of the act in perspective, they say that they're going to have an employee representative, an employer representative. My first question to the Minister is, will the government interfere in the selection of the person that the employees name and that the employers name to be on this review committee?

**HON. G. LECUYER:** That is the first question that the member asks, but certainly not the first comment. I shall refer also to some of the comments he makes.

I recall when the previous Minister, my colleague here, was Minister responsible for the Compensation Board, I recall sitting in these Estimates when the Member for St. Norbert asked exactly the same questions - he got answers.

Last year when I was Minister responsible, he dealt with the same questions - he got answers. Today he stands up and pretends he doesn't know anything about the answers that were provided. All he has to do is to take his Hansard and bring it with him, review it, instead of throwing hundreds of thousands of dollars of severance pay - which is absolutely false. When he says that the previous chairman of the Board, for instance, was fired, when he resigned. Why bring into the picture all kinds of statements when that is certainly not correct?

I wonder who is trying to make political hay out of this. What we are saying we are going to do is not make political hay. We're going to provide the services that should have been provided all along to the injured workers of Manitoba.

The member says we are not abiding by the law, we're not abiding by Section 66(1) of the act. I say to him, we have choices; either we do not provide the services as was not being provided and therefore there will not be any increases in costs. That is not entirely true because, as I say, there are provisions in the act on which the benefits are paid is determined, by statute in the act; therefore, we cannot say, well, we'll refuse to allow this ceiling to increase. Therefore we cannot keep a great number of these costs down.

The member says we should keep it down. Therefore he is saying we should have done nothing with the Lampe Report, as they did. We should have done nothing with the other reports that came in, as they did. They did not proceed with a review of the act, nor can we consider these reports as being a review of the act. Therefore that is still necessary. Employers as well as employees want that review of the act. I don't care what the member says, they're all in agreement with that.

Now, coming to his last question. I said an employee representative and an employer representative - they

will be naming their choices of employee representative and employer representative and have a full time chairperson on that, as well.

**MR. G. MERCIER:** I take it, and I hope I'm right in saying this, that the Minister is saying that the government will accept the name of the person nominated by the employee groups to serve on the committee and the name of the person selected by the employer groups to serve on the committee without interfering in any way with the person who is recommended. I would ask him to confirm that and would he also confirm that he would be agreeable to, rather than the government naming the chairman and appointing the chairman, that the representative of the employee group and the employer groups be given the full authority to agree on a chairperson.

**HON. G. LECUYER:** The member's asking me to completely act in an irresponsible manner, because . . .

**MR. G. MERCIER:** Sorry.

**HON. G. LECUYER:** As a government and as Minister responsible, if we are going to decide to proceed with a review of the act, we certainly have to take some of the responsibility, obviously; and I am certainly not going to confirm to the member that the choosing of a chairperson is going to be left to the employee representative and the employer representative to decide. It may mean that we will never have a review of the act and both sides want that review, so we will assist. We'll do our part in that process as well and we will seek, Mr. Chairman, to appoint to that function and responsibility the most qualified person to do that job.

I'm not saying that we will get anybody we want to get. We will certainly - and we are in the process of endeavouring to get the most qualified person to do that job.

**MR. CHAIRMAN, P. EYLER:** The Member for St. Norbert.

**MR. G. MERCIER:** The government, with those remarks and taken in perspective with this government's whole approach to the Workers Compensation Board, is really destroying a proper and thorough review that should be done, as it was done previous to this government's time, by a Board that had equal representation from employee and employer groups.

The chairman of this review of the Workers Compensation Board, in the light of what this government has done in this field, should be chosen by agreement between the employee and the employer groups. It's the only way that this report is going to be accepted by both groups. If we're going to leave this government, given their past practice, to make their political appointment of a chairman, we know what's going to happen; and it's not going to be a report that is acceptable to both groups. It's going to be a report acceptable to only one group and that's not the way the Workers Compensation Board should be administered, so I would ask the Minister again to reconsider his position. I'm sure he wants to have a thorough review and people, I'm sure, employee and



employer groups throughout the province want a fair and thorough review of the act, but if the only way it's going to be done is if the employee and the employer groups agree on the chairman and not have a politically-appointed person by this government, would he reconsider that position?

**HON. G. LECUYER:** Mr. Chairman, I for one am absolutely proud of what we have achieved and done in the few short years in terms of compensation in Manitoba in improving the services to all involved, and especially to the injured workers and to bring it forward, as I've indicated a number of times in my opening remarks, from the 19th to the 20th Century.

As I said before, Ontario conducted a review of its compensation system, the Ontario Government, and it did not divest itself of its responsibilities in the process. I presume they went and sought the most qualified person to do the job and I have not indicated to the member that I would not consult with the others, but I certainly would make it my responsibility not to make a political appointment, because this is not a sinecure that they will be appointed to; it's a fixed task over a fixed period of time and once that function is complete, it's not an appointment that carries on. Once the task and the job is complete, then whoever has been contracted, if I can use that term, to do the job, will have finished their job and will not continue as a political appointment as the member tries to make out.

We will endeavour to find the person who is best qualified to do that job and he will be working with the other members on that committee and hopefully, and I certainly hope that they can come to proposals and recommendations which will be acceptable to both sides, but in the end, when it comes times to bring forth the proposed amended act in the House, we will have to take that responsibility of bringing that amended act in the House. So it will not be the employee representative, the employer representative or the chairperson; they will be given a very broad mandate to review The Compensation Act, the entire compensation system of Manitoba, taking into consideration compensation programs and procedures in existence in other jurisdictions as well. So their mandate is not a restrictive one, but a broad one.

**MR. G. MERCIER:** Mr. Chairman, I do not find that answer very satisfactory.

**A MEMBER:** That's too bad.

**A MEMBER:** That's the problem.

**MR. G. MERCIER:** That's, in effect, Mr. Chairman, what they've said to employers in Manitoba for the past four years. That's too bad; we're in government and we don't care how high the assessments go and we don't care how high the deficits go, even though we're violating the law.

I ask the Minister, Mr. Chairman, is he going to introduce an amendment at this Session of the Legislature to amend Section 66 of the Workers Compensation Board, which the Auditor of Manitoba has rightly brought to public attention in his report? Is he going to amend this section to confer on this

government the authority to carry on these deficits that they've carried on this year and in past years?

**HON. G. LECUYER:** The member is constantly referring to what we have done in the last four years, implying that is all wrong; therefore we should not have done any of these things. I come back to it, because he still said these words.

In other words, we should not have taken into consideration the report that they had commissioned themselves; we should not have pursued any of the recommendations in that report. — (Interjection) — I will. I am not doing the question period here for the Member for Minnedosa's information. I have not restricted the Member for St. Norbert's comments and in asking his questions, he preceded that with a number of comments and I am replying to these comments.

Now if the member implies that all of these things we've done were all wrong, therefore we should, by implication, not have done or pursued any of the recommendations of these reports, I would think that that would leave us exactly where we were, and even if it left us exactly with the same inequitable situation we were at, that would still cost a lot more than it cost in 1981.

Surely the member can readily understand that the costs of everything have increased. Salaries have gone up, they have not remained stable; medical costs have gone up; chiropractic costs have gone up; and a great variety of others. We've put in a computer system, for instance, to also bring that board's operation into the 20th Century.

I don't know if the member ever visited the board's operation while they were in government, to see how, for instance, the lengthy process of even releasing checks of communications within the system, of communicating with the public as a whole. In fact, of the two recommendations that had been implemented of those 129 of the Lampe Committee, two that had been implemented; one consisted of adding one telephone line, so that does away with one of the recommendations. I forget what the other one had to do with.

**A MEMBER:** What about the deficit?

**HON. G. LECUYER:** If the member is suggesting that in order to keep the costs to comply with the act - get back to the question which was the last part of his comments - I've indicated that the other day in Public Accounts Committee; I've indicated in a statement awhile ago that it is not our intention at this time to bring in an amendment. We are in the process of reviewing the act, and according to the legal opinion I have, that probably would be satisfactory from the legal standpoint.

Now the alternative to the member's suggestion is simply to cut the services down to where they were in 1975 or perhaps before - I don't know if the member is suggesting that - or to immediately impose another 50 percent increase on all of the employer groups.

Now when I said in Public Accounts the other day that we consider that as a temporary aberration, which will correct itself over a period of years through increased payrolls that can be assessed; secondly,

through a series of reasonable assessment rate increases over a period of years and our intention is to fully bring the operation of the board into a funded situation.

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

**MR. G. MERCIER:** Mr. Chairman, the Minister implies that we had no concern over the operation of the Workers' Compensation Board when we were in government. I think the fact that we had appointed a judicial inquiry of the Workers' Compensation Board to review the concerns that have been expressed was a clear indication of those concerns, Mr. Chairman.

Now, the Minister says we have to - of course costs went up. We had to bring the Workers' Compensation Board, he says, from the 19th into the 20th century. Mr. Chairman, the administrative costs of the Workers' Compensation Board in 1981 were \$4,239,000; in 1984 they were \$8,736,000.00. It's an increase of over 100 percent in administration costs in three years. I'm not sure what inflation was during those three years, Mr. Chairman, but it was nowhere near that.

I would ask the Minister, Mr. Chairman, on the basis they've said in the past, the board now has a budget, supposedly; and what is the budget for administrative expenses in 1985?

**HON. G. LECUYER:** The actual administration costs in 1981 were 5.1; in 1982, 6.6; in 1983, 8.7; in 1984, 10.4; and somewhere in the area of close to \$12 million in 1985 budgeted.

Now I have to indicate to the member that reflective in those costs are the equipment, the computer . . .

**MR. D. ORCHARD:** The carpets.

**HON. G. LECUYER:** There were no carpets. The Member for Pembina is trying to see things in a very narrow-minded approach. We're talking about - as part of the computerization, the on-line computerization of the operation of the Compensation Board and the addition of staff. There were indeed additional furnitures, which dated pre-1959, introduced as part of the operation and the whole of the computer system which is amortized over a period of years. But I will find additional explanations or detailed information on that that I shall bring to the member's attention in a moment.

**MR. G. MERCIER:** Mr. Chairman, it is now evident over four years administrative costs of the Workers' Compensation Board under this government have increased about 150 percent. He was talking a few moments ago about the inflationary costs of wages increases, etc.

Mr. Chairman, I'd ask the Minister to inform the House of the salaries of the Chairman of the Board, and the two other members during 1984, plus their total expenses that have been charged to the operation of the board.

**HON. G. LECUYER:** The member has, on Page 15, the breakdown of the administration costs which are largely attributable to staff and service costs. In 1984

the administration costs of \$6,179,000 attributable to salaries and service costs, data processing of approximately \$1 million . . .

**MR. G. MERCIER:** I'm talking about the board, the Chairman of the Board . . .

**HON. G. LECUYER:** You're wanting the information in terms of the costs of the salaries . . .

**MR. G. MERCIER:** And their expense allowance.

**HON. G. LECUYER:** I'll give you the totals. The salaries and benefits for the chairperson and commissioners is \$180,000; auto operations is 12,000; travel and miscellaneous, a total of 13,000; for a total of 205,000.00.

**MR. G. MERCIER:** Mr. Chairman, would the Minister break down those figures per individual and break down those expenses in just totals?

**HON. G. LECUYER:** I'll have to, first of all, indicate I have the figure for 1981, which is 110,000, so therefore the member can make his comparisons - 205,000 in 1984. The chairperson's salary is 62,000; the two commissioners are paid 51,000 apiece.

**MR. G. MERCIER:** Mr. Chairman, as I recollect, did he confirm the chairman was originally paid 46,000 to 48,000 in 1982 when she was appointed?

**HON. G. LECUYER:** The chairperson is paid on the same scale as a Senior Officer 6.

**MR. G. MERCIER:** When was that change made?

**HON. G. LECUYER:** Commissioners are paid at the Senior Officer II level.

**MR. G. MERCIER:** Mr. Chairman, could he confirm that the chairperson was being paid \$46,000 to \$48,000 per annum when she was appointed in 1982?

**HON. G. LECUYER:** I don't have the exact salary, but it was at the Senior Officer VI at the time she was appointed. So, the member can look at the Step I of that classification, the classification for Senior Officer VI, and we'll have the figures that are public information and available.

**MR. G. MERCIER:** Mr. Chairman, I'd like the Minister to break down the \$12,000 or \$13,000 he said was used for automobiles. When this government board was first appointed in 1982, one of the first things they did was paint and decorate their offices and carpet and buy cars. Then, under questioning, the previous member said he was going to investigate that matter. I think they were going to enter into some other arrangement for their cars, and they were going to be able to be used by other staff. Could he advise as to what percentage of the time that the chairperson of the Board and the members of the Board used those cars and break down this \$12,000 or \$13,000 expense for automobiles that he refers to

**HON. G. LECUYER:** The cost show of \$12,000 for automobile breakdown in terms of \$7,000 depreciation and the rest is gasoline, maintenance, oil . . .

**MR. G. MERCIER:** Who uses the cars?

**HON. G. LECUYER:** There are three cars per commissioner.

I might have a further comment. These cars are also available for other staff of the Board's operation as part of their duties and responsibilities.

**MR. G. MERCIER:** Did the chairperson and two other Board members use the cars for travelling to and from work and for personal use?

**HON. G. LECUYER:** They do, but they pay the Civil Service rates for that use.

**MR. G. MERCIER:** Mr. Chairman, the Minister gave another large figure for other expenses. Could he break that figure down?

**HON. G. LECUYER:** First of all, let me refer to that figure, in 1981 it was \$8,500; in 1984 it's \$13,000 - part of that is natural increases. Much of that is travel expenses to hold hearings, for instance, in Northern Manitoba - travel expenses involved as part of those hearings. There's also one annual convention of officers of compensation boards across the country, so that, basically, represents that figure.

**MR. G. MERCIER:** Well, Mr. Chairman, we see we have an operation here, where in four years the administrative costs have risen 150 percent, the costs of operating the board have risen 100 percent.

Let me deal for a few moments with the impact. Rates have gone up 9 percent and 20 percent, then 20 percent in 1985, and yet we still have the monstrous deficit on account, which is contrary to the Workers Compensation Board.

Mr. Chairman, it should be noted that I've had prepared a breakdown of how these assessment increases have affected various classifications, and although the government may talk about 9, 20 and 20, certainly, that seems very high. but what is actually happening out there in the private sector is that many, many industries, depending upon their classification, have had their assessments increased substantially more than these 9 percent, 20 percent, and 20 percent figures that the Minister and the government have used.

For example, Mr. Chairman, under Mines, Quarries and Oil Wells - and the Minister may confirm this - contract diamond drilling, assessments, and not based on 1982, from 1982 - so we're dealing with '83, '84, '85 increases. The assessment increase there is 91.4 percent. In contract mining and development it is 80 percent.

In the area of manufacturing, Mr. Chairman - let me just pick out two and there are a number of categories - canning and packaging of food has had an assessment increase of 161.8 percent in three years; the manufacture of airplanes 100 percent; in transportation, communications and storage and trucking - we're very fortunate, Mr. Chairman, in Manitoba to have so many

trucking industries located here - there's been an 81.8 percent increase in assessments in three years. In trade, Mr. Chairman, we have retail establishments 84 percent increase in assessments in three years; operations of hospitals, 80 percent; operators of municipal corporations, 77.3 percent; and the list goes on, and many of these industries have very, very significant increases in assessments, much more than what we're led to believe by the public pronouncements of the Minister and the government that there is 9 percent, 20 percent and 20 percent, even though those are very, very high.

Mr. Chairman, I would like to ask the Minister if he can confirm that those calculations are correct?

**HON. G. LECUYER:** I haven't got the classification costs rate increases in front of me, but I will. I would not certainly dispute the figures quoted by the member. On the other hand, I did indicate to the member in my opening remarks that the member is choosing a few of the categories where there have been, indeed - and I've indicated that of the 71 or 79 categories, for instance, some 40-odd have increases of zero percent to 20 percent and that there were some 20-odd ones who have had an increase between 20 percent and 100 percent. I did not mislead in any way because I did indicate that there were indeed some classifications that had increases much more than 20 percent. The member is referring to three years' operation.

Let me start by saying that the unfunded situation of the Board started in 1981 when they were still in government and had produced no changes, obviously, as I also indicated and I make no amends for that, Mr. Chairman, that to bring in these changes in the operation of the Board, in fact, just to meet the ongoing cost of living that is reflected in the salaries, the benefits that are paid out and all of the other costs that I've enumerated automatically would have brought about increases. The only way we could have kept them down to a level that the member would like to see, maybe 20 percent or less per year for all of the groups, would mean that we would have implemented none of these changes, neither the computer nor any of these changes that we referred to.

The member makes a great deal of an almost 100 percent increase in administration costs.

**MR. G. MERCIER:** Board costs.

**HON. G. LECUYER:** Let's be fair, 110 to 205. In 1981, 110 were the total administration costs.

**MR. G. MERCIER:** That's the Board.

**HON. G. LECUYER:** That's what I'm talking about, the Board. You were using that as information that might put a reflection on the overall cost operations of the Board. That's \$95,000; which represents two-tenths of a cent per hundred dollars of assessment, so let's not build a whole case on that.

Let me further mention that in order to provide these services, we indeed added staff in the operation of the Board. There are some 70 additional staff in the overall operation of the Board these four years and that has added administration costs. But I also want to indicate

to the Member for St. Norbert, with that staff that is presently part of the operation of the Board, in comparison to the working force of Manitoba, and the caseloads that they handle, that leaves the Board's operation second lowest. I want the Member for St. Norbert to listen when I provide him with answers. It leaves the operation of the Board in Manitoba with the second lowest staff ratio in Canada presently.

If the member wants to quote particular classifications of employer groups and he wants to quote the mines group, etc., I also ask him to compare that with the rates charged in other provinces - or truckers - and see how that compares with these other provinces and he might get a surprise there as well.

I can also add to the member, I don't cause the accidents; the Board doesn't cause the accidents or the claims that come up. I think, though, we have a responsibility to deal with them, and we are dealing with them in a variety of ways, first of all, by doing the utmost we can in reducing the frequency of accidents and workplace related disease, through the amendments we've brought forth in The Workplace Safety and Health Act, through the implementation of the committees and the worker representatives in the workplace to make sure that we do our utmost in assuming our responsibilities in changing that picture, and we hope that is going to, in the long term, provide some turnaround. But we don't cause the accidents; we don't cause the diseases, nor does the Board cause them.

We have to deal with them in a fair and equitable manner as they occur, hoping that we can convince all of those involved, and we're going to play a role as one of the members of that - we consider it's a tripartite responsibility; ours, the employers' and the employees' responsibility to deal with that and we're going to do the utmost to bring them down. But in the meantime we have a responsibility, I repeat, to deal with this in a fair and equitable manner.

I am proud of what we have done so far and I am certain that we will bring further improvements.

**MR. G. MERCIER:** Mr. Chairman, could the Minister indicate what the average assessment revenue per hundred dollars of payroll will be in 1985, with their further 20 percent increase?

**HON. G. LECUYER:** Mr. Chairman, I did not hear the beginning of that question.

**MR. G. MERCIER:** Mr. Chairman, there's a table on Page 33 of the Annual Report which shows average assessment revenue per hundred dollars of payroll. Could the Minister indicate what that will be in 1985 with their 20 percent increase in assessment?

**HON. G. LECUYER:** What the average rate of assessment will be with the increase in assessment brought forth in 1985? It will be \$1.28 per hundred dollars of payroll.

**MR. G. MERCIER:** How much?

**HON. G. LECUYER:** \$1.28 per hundred dollars of payroll. For the member's information, I'll repeat what

these same rates are. I haven't got the rates for 1985 for the other jurisdictions, but I've got the full slate of rates for the other provinces.

I'm quoting for 1984. The rates in 1984 in Manitoba were \$1.07. Now if I start from the West Coast, British Columbia was \$2.80; Alberta, \$1.75; Saskatchewan, \$1.41; Ontario, \$2.61; Quebec, \$2.50; New Brunswick, \$1.58; Nova Scotia, \$1.19; Prince Edward Island, \$1.78; Newfoundland, \$2.27; Yukon, \$2.53; the Northwest Territories, \$3.52; and I repeat, Manitoba was \$1.07.

**MR. G. MERCIER:** Mr. Chairman, the Minister, I think previously stated what the average assessment revenue per hundred dollars of payroll would be and compared it to 1975, when it was \$1.18. He said, well, gee, in 10 years that's not much of an increase. What he omitted to mention, Mr. Chairman, was the fact that in 1981, when this government took office, the average assessment revenue per hundred dollars of payroll was 88 cents, so it's now gone up to \$1.28 - 40 cents, which is almost a 50 percent increase in the average assessment per hundred dollars of payroll. So the comparison should not be to the \$1.18, but to what it was when this government took over and what the increase has been and it has been very, very significant, and that doesn't cover the deficit in the operations that the government is carrying on.

**HON. G. LECUYER:** I'm glad the member brings this up, because with 88 cents per hundred dollars of payroll in 1981, they encountered the first year of deficit, because there was a \$1.8 million deficit in 1981.

Now it also confirms what I said a while ago. If the rate in 1975 was \$1.18 to provide the services in 1975, it would appear to me, and certainly that is logical, to provide a fair and equitable services to workers in the intervening years, it would seem logical that the rates would have had to rise a little bit in those years, but they were brought down. That is a clear indication that there was a cut in services in those years. The injured workers of Manitoba were not being treated fairly. That is the proof.

**MR. G. MERCIER:** Mr. Chairman, I ask the Minister this: Would another factor not be, as this table shows, that from 1977 to 1981 there was a significant growth in assessable payrolls in this province because jobs were being created. The previous government created 33,000 jobs during those years. We now have, the last statistics, nearly 50,000 unemployed people in this province; and the assessable payrolls are not increasing to the degree - not anywhere near the degree - that they were during those years. Is this not creating a problem for the Minister and the board?

**HON. G. LECUYER:** I can accept that there was some job increase and there was associated with that certain — (Interjection) — I want the member to listen to my reply as I listened to his question. I'll accept that there was a growth in payroll, but with the growth in payroll reflective of added workers in the workplace, there was also a growth in claims and accidents that had to be paid for. So that does not change the argument at all.

**A MEMBER:** The assessments went down.

**HON. G. LECUYER:** The assessment went down and that is a clear indication that there was certainly a reduction in services.

The Cooper Report, which was a follow-up to one that they had commissioned, did indicate that some of the charges that were brought forward were valid. It indicated that the services provided were not equitable. If they had still been in government - I'm not saying that they would not have taken into account, they would not have brought have brought some of the changes - but I doubt it, from the arguments that he's giving forth that they would have done their utmost to simply see to it.

A number of times members from the opposition, including the Member for St. Norbert, have misquoted for instance the comment from the Auditor. Now I'm not saying they did this intentionally, perhaps they didn't have the exact wording in front of them, but they have said a number of times that the provision within the act states that you shouldn't pay out more than you get in revenue and that is certainly a complete reversal of what is stated in the Auditor's Report.

The Auditor has stated in his report that we should collect as much of revenue as we project in payouts, so that is not the same thing. But it is my belief, on the basis of the arguments of the Member for St. Norbert, that indeed, if he had been responsible for the Compensation Board, he would have sought to simply - and everybody would certainly want to keep the rates down as low as possible and certainly I want to keep the rates down as low as possible and the efficiency of the board at its maximum. But as I say, the whole basis of the system is there for a purpose.

There's an intent provided for in that act that we have to meet - we have to meet in a responsible manner, in a fair and equitable manner to all - the employers and the workers, and to provide those services; to take into account those charges that were made and were found to be correct and valid; to correct those injustices that had been underlined; to bring forth some of the improvements that had been underlined in the Lampe Report as a clear indication of inequitable services, inefficiencies in the board. We have to take that into account.

We proceeded as well, as a follow-up to one of the Lampe Recommendations, my colleague, the previous Minister, proceeded to set up Committee 100 dealing with the rehabilitation procedures. They brought forth 19 recommendations, some of these which will, in the long-run, provide better services to injured workers in the form of rehabilitation; will bring them back to the workplace sooner; will show some cost benefits, but that doesn't happen overnight.

We were in a position where we were unloaded a burden with all of these changes because they were not done before. So to put them in place, yes indeed would reflect costs, but I say compare it to what occurs elsewhere. We certainly should not remain the only province among the others that is going to provide a level of service that's going to be far inferior to the others. We should provide a comparable service to the workforce of Manitoba. That is what we are attempting to do, and obviously it's going to increase costs and it's going to bring us closer to reflect the cost that they have, that they experience in these other provinces.

The member can use those figures and say, well look at how much it has increased, and I can't deny that it has increased substantially, but I'm saying we have to also consider, should it not have increased; is it not fair that they have increased? That should be taken into consideration.

**MR. G. MERCIER:** Mr. Chairman, nobody disputes the point that services and compensation have to be provided to injured workers and that there was a need, which we recognized when we appointed the judicial inquiry, Mr. Justice Nitikman to investigate those concerns, because we shared in those concerns.

But what we have talked about today and what we've talked about during the past - three particularly years, since this government has been in power - and what we've discovered today indicates, simply and purely, Mr. Chairman, that this government is incompetent to manage that service.

**HON. G. LECUYER:** Mr. Chairman, after all that has been said, there is absolutely no foundation to make that kind of statement on the part of the member from the opposition. I can just turn around and say, Mr. Chairman, if, because there has been increased services, increased equity to the injured workers in Manitoba, that is incompetency? Well I, Sir, simply say to you, Mr. Chairman, the members across, that is was more than incompetency that was going on there before. It was an absolute sham!

**MR. CHAIRMAN:** The Member for La Verendrye.

**MR. R. BANMAN:** Thank you Mr. Chairman.

What has happened this afternoon is that we have seen what this Minister's philosophy is, in particular with regard to administrative costs. He - I think it came out loud and clear - believes that the more we spend on administrative costs means the better service the injured workers will receive.

Well I have to beg to differ with the Minister. I think that one of the difficulties that we face right now is that just by throwing dollars at the situation isn't going to clear it up.

I want to highlight one of the difficulties that we are facing and why the Minister and why people out there are objecting to the type of rate increases that we are receiving. We've seen people writing us from all different walks of life complaining about the assessments, but let me put it in perspective and show the Minister why there is concern out there.

Let's take, for instance, the hospitals. The hospitals were asked by this government to hold the line at zero or some would receive 2 percent. When you sit down and talk to hospital administrators, they tell us however that last year, this year, 1985, their rates will increase by some 28 percent. Mr. Chairman, they're supposed to hold the line at 2 percent.

They then pick up the Annual Report, which the Workmen's Compensation puts out, and they look at Page 15, and what do they say then? They say how come we're supposed to hold it at 2 percent or at zero percent and the board can increase - not payout costs, not money that the injured workers are receiving - but the board is increasing their administration costs by

some 21 percent. That's one year, Mr. Chairman. We're seeing an assessment for the hospitals who have now been asked to hold the line at 2 percent, we're seeing their assessment go up 28 percent. They they say, well what's happening with the administration - we're supposed to hold our administration and all our expenditures down, but the Workers Compensation Board and the administrative expenses can be increased by 21 percent in the same year that we're being asked to deal with 2 percent.

So that's part of the Minister's problem. What we've seen happen here, we've seen a jump in the administrative costs from \$5 million to \$12 million in a matter of four short years. That's a horrendous increase. I say to the Minister that that does not breed confidence in the employers and people who are being forced to pay the increased assessments, because they then feel, of course, if you're seeing that kind of an increase, 150 percent increase in a matter of four short years, when I think the inflation rate, if you factor it out, would run at about 22 percent, 22.5 percent over these four years because the inflation rates have been very low, that is part of the Minister's problem.

We have seen big increases on the one end and that of course is now being equated to the increases on the assessment that is being made. So it becomes very difficult to explain to a hospital administrator, who is supposed to hold the line, why, No. 1, he or she has to absorb a 28 percent increase this year in assessment and hold the line at 2 percent; and yet the Workers Compensation administrative expenses have jumped in that particular year by 21 percent. It's very difficult to explain and I tell the Minister that if you look at the record, how it's increased in the last little while, it actually becomes frightening and I can see why there is reason for concern out there with regards to what is happening at the Board and at the administrative level.

**HON. G. LECUYER:** Starting with the end of the remarks, yes, indeed I can sympathize with some of the comments the member is making. Indeed, it's an added burden, but let's put it in the right perspective. We're talking about an increase in assessment rates for hospitals, that is from .35 cents to .45 cents, an increase of .10 cents per hundred dollars of payroll. Now the member should also know that there's certainly a large number of accidents that occur in hospitals, especially primarily the accidents that are related to back problems. So there is a high number of accidents that occur in the hospital and you know, when you're talking about that amount of money and we have to consider that, as part of the collective responsibility, share in the operation of the service that is provided to the population of the workforce. If you look on the percentage increase, it sounds big, but if you look at the amount that is actually paid, it's not that large of a sum. They were also provided with some additional revenues.

Now when we look at the overall administration expense, for instance, in 1984, and we see that \$6 million out of \$10 million went towards salaries, and I indicated that is largely reflected in additional staff in the Board and even with that, we're the second lowest in terms of ratio, per claims, in the country. The member

has to take that into consideration, and the alternative is to worsen the picture, or to make it worse, obviously.

Again, I refer the member - he referred to Page 15 - he should read it all to see how these administration costs are allocated. As part of those administration costs, for instance, \$2,349,000 go towards paying for the Workplace Safety and Health Program in the Province of Manitoba, which is covered by Workers Compensation Board costs; \$1 million of that goes towards the data processing, and \$570,000 towards supplies and services. These also keep increasing and we have no control in these increases in prices.

Let's put it all in the right perspective. Not just say, well here's the percentage, let's look at the percentage increase only.

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

**MR. A. KOVNATS:** Thank you, Mr. Chairman.

I also have been receiving advice from different businesses around the province, from people who are having problems with Workers Compensation and I would like to bring it to the Minister's attention. — (Interjection) — Well, I think the question was if I talked to any workers; I've talked to a lot of workers.

Now I'm going to tell you about a small company that employs 14 people, Mr. Minister, and he advises me that they have not had an accident, they have not had a claim in this company in the last three years. In 1983, his assessment rate was .87 cents; 1984, it went up to \$1.05; 1985 it went up to \$1.58. There doesn't seem to be any rhyme or reason, Mr. Minister. Isn't there any consideration for a company that really looks after their employees, gives them all kinds of safety courses so that they're not going to be having problems when they get into the workplace. There's very little danger in this workplace hardly at all, except that you can't say there's no danger, there's some danger. He belittles it to the point where he says they haven't even issued a bandaid to anybody, and there it is, his rate has gone up from .87 cents to \$1.58 in two years.

How can the Workers Compensation Board justify these things happening to small business? He's afraid for me to mention his name, but he did mention to me that he did contact the Workers Compensation Board, he was a little excited, and he was going to take the chance, because it's hit him pretty hard, Mr. Minister. The answer he got was, well, other provinces are paying more. That doesn't seem to satisfy me.

**HON. G. LECUYER:** First of all, I have to advise the member that the small employer belongs to a category of employers that form a classification group and his rates are reflective of the rates paid by that classification of employees. So if he has a good record, it's obvious that at that level of .80 or .87 cents - I forgot what the member said - per hundred dollars a payroll which is not at the average-rate level, but it's more than some pay - I indicated a little while ago that the hospital's rate is .45 cents per hundred dollars a payroll - so obviously, there are a number of accidents and a fairly substantial number of accidents occurring in that particular group of employers.

Hopefully, he will prevail on his colleagues in that same industry to reduce their accidents as he has

obviously succeeded in doing. But I want to point out also to the member that they share in the collective responsibility. So they share in the overall cost of administration, of rehabilitation, etc.

You know, Mr. Chairman, I pay fire insurance on my house even though I haven't had any fires, and I pay a rate that I find it's very high, but I also share in the collective responsibility. We all pay automobile insurance, even if we haven't had any accidents. So it's the same principle that is involved. I also want to mention to the member that he, in paying rates, he is protected from being sued, one claim; otherwise, if he were sued, it might wipe him out. As well, these are tax-deductible. So the member should take all of these features into consideration.

**MR. CHAIRMAN:** Order please. The hour is 5:30, time for adjournment. Call in the Speaker.

## IN SESSION

The Committee of Supply has adopted certain Resolutions, directs me to report the same and asks leave to sit again.

**MR. SPEAKER:** If the honourable member would wish to put his jacket on, we can proceed.

The Honourable Member for River East.

**MR. P. EYLER:** Mr. Speaker, I move, seconded by the Member for Inkster, that the Report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The time being 5:30 p.m., this House is accordingly adjourned and will stand adjourned until 2:00 p.m. tomorrow (Thursday).