

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 21 May, 1981

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Natural Resources.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, I would like to take this occasion to table with the House and make a brief statement introducing a White Paper entitled "A Proposal for a System of Water Management in Manitoba."

Water is one of Manitoba's most abundant and valuable renewable resources. It is vital to the economic structure of the province and an essential component of diverse environment that supports other renewable resources such as fish and wildlife. Too little or too much water quickly affects the agricultural and industrial economy of a region or indeed the entire province.

MR. SPEAKER: Has the honourable member a copy?

MR. ENNS: Yes, I've sent copies around, the opening statement being on the first page. (Interjection)— Too little or too much water quickly affects the agricultural and industrial economy of a region or indeed the entire province. It is not surprising then that water management has had a long history in Manitoba; most efforts having been directed towards draining water from agricultural land and protecting communities from flooding.

Drainage and flood protection are still important concerns, however, the availability of water supplies for irrigation, municipal and industrial uses is becoming a key factor in the agricultural community and economy of this province. A more comprehensive approach to all of management is needed.

Essential to a workable water management plan is a mechanism for ensuring municipal involvement and inter-municipal coordination on waterways that transact municipal boundaries. One clearly defined body is needed to be responsible for the administration of the entire waterway system of a watershed.

A Watershed District Management Act has been proposed and that, Mr. Speaker, is what I'm distributing, today, in the form of a White Paper, has been proposed as a way of addressing these problems. Its key features would be (a) Water management on a watershed basis; (b) The formation of water management district boards of appointed municipal officials to be responsible for the planning, management, development and allocation of water

within the watershed. This paper has been discussed with the Union of Manitoba Municipalities in 1980. This proposal is now ready for closer study by municipalities and landowners, and it will be made available to all interested parties and mailed out to them upon release here in the House. This paper is intended as a background for a series of meetings planned for the fall of 1981. The purpose of those meetings will be determined whether the proposed Watershed Management District's Act could provide a workable solution to the planning and coordination of water management in Agro-Manitoba.

Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. George.

MR. BILLIE URUSKI: Thank you, Mr. Speaker. I thank the Minister for the tabling of the White Paper, Mr. Speaker. I would, in a constructive way, like to suggest to the government and to the Minister of Natural Resources that these meetings be handled through a Legislative committee in the form of presentations and hearings throughout the Province of Manitoba, giving ample opportunity for municipal leaders and residents of municipalities the opportunity to comment and discuss the merits of furthering the watershed conservation process.

There's no doubt, Mr. Speaker, that it's taken a considerable length of time to set up a number of conservation districts. There are some now operating and that there is interest in good water management and the relationships between municipalities dealing with drainage problems and other water management problems.

So, Mr. Speaker, we welcome the announcement, but we would hope that this matter could be easily referred to a Committee of the House for intersessional hearings and that the hearings take place throughout Manitoba, giving an opportunity to interested citizens and municipal leaders a chance to discuss the proposals that are contained herein.

Notices of Motion . . .

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Government House Leader.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, if I might perhaps with leave, make a comment at this stage about government business this afternoon, which would I think, aid all members and the public.

Mr. Speaker, I discussed this with the Opposition House Leader and the Member for Inkster. I would propose, Mr. Speaker, following question period, to call Bill No. 62, which I am given to understand will pass and be able to be forwarded to the Privileges and Elections Committee and then the House will adjourn to allow the committees to meet immediately thereafter, this afternoon and this evening, and the House would not meet again until 10.00 a.m. tomorrow.

MR. SPEAKER: The Honourable Member for St. Johns on a point of order.

MR. SAUL CHERNIACK: No, Mr. Speaker, the member asked for permission to report and I would like to ask a question in that relation. I would like to ask the Minister whether he has established a logical and reasonable hour by which committees will conclude their meetings in the evening?

MR. MERCIER: Mr. Speaker, I think that's best left to the discretion of the committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time I would like to introduce to the honourable members, 38 students of grade 6 standing from the Madison Elementary School of Fargo, North Dakota, under the direction of Ms. Suzan Upton.

We have 25 students of grade 6 standing from the R. J. Waugh School under the direction of Mrs. Marj Kempthorne. This school is in the Constituency of the Honourable Member for Gladstone.

We have 30 students of grade 5 standing from the Harold Hatcher School in Transcona under the direction of Mr. A. Tordiffe. This school is in the Constituency of the Honourable Member for Transcona.

We have 30 students from ages 4 to 15 from the Sundown School Ukrainian To Dance class, under the direction of Mrs. Marlene Drewniak. These students performed in the rotunda prior to the opening of the House and this school is in the Constituency of the Honourable Member for Emerson.

On behalf of all the honourable members we welcome you here this afternoon.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker. I would like to address a question to the Minister of Agriculture. In view of the just announced Bank of Canada rate which has reached the unprecedented high of 19.06 percent which may well bring in a bank prime rate of 20 percent, would the Minister of Agriculture give us the benefit of his thinking in regard to a consideration for a debt consolidation plan for farmers involving an attempt to consolidate their debts and postpone payments or extend payments, and would he indicate whether he is considering a subsidy of the interest rates on such postponement?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Mr. Speaker, I would like to inform the member that I and members of our caucus who are interested in the agricultural community, plan to meet with the agricultural banking people of Manitoba tomorrow to discuss the affairs of agriculture financing.

On the point of agricultural debt consolidation, Mr. Speaker, we are proposing to make some changes that would support the farm community in certain areas. I would be able to further explain in more detail when we have a little more information and a

little more discussion with the Board of the Manitoba Agricultural Credit Corporation and I expect to be able to make further announcements later this week, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, in view of the Minister's indication that those members of Cabinet concerned with debts on the agricultural level will be meeting and discussing this, may I ask the Minister of Economic Development what he is doing in regard to the problem faced by the small businessman of a similar nature to that described by the Minister of Agriculture?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, we do not have plans of a similar nature that the Minister of Agriculture has put forward with the Agricultural Credit Corporation.

MR. CHERNIACK: In view of the failure of the government to have a plan dealing with the debt consolidation for the benefit of small business, would the Minister indicate whether or not consideration is being given to some form of debt adjustment legislation which will help keep people out of bankruptcies, imminent bankruptcies, based mainly on a 20 percent-plus interest rate.

MR. JOHNSTON: Mr. Speaker, we do not have a plan such as the member has been asking about.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD EVANS: Thank you, Mr. Speaker. I, too, would like to address a question to the Minister of Economic Development and it's a follow-up to the question we asked him yesterday regarding money spent on television advertising. In his answer, the Minister referred to a number of statistics on the economy and my question is, did the Minister state in his answer that the manufacturing industry in Manitoba was expanding this year thus far, say in the first four months of this year over last year?

MR. SPEAKER: The Honourable Minister of Economic Development.

MR. JOHNSTON: I believe I stated figures from Statistics Canada that showed the manufacturing shipments in Manitoba being up over last year. I don't have the figures in front of me today, Mr. Speaker.

MR. EVANS: Mr. Speaker, then I wonder how the Minister concludes, as I believe he did yesterday, that the manufacturing industry in Manitoba was really expanding in the January to April period of this year over last year when the Labour Force Survey put out by Statistics Canada shows that the number of people working in manufacturing has declined by 1.9 percent this year over last year?

MR. JOHNSTON: Mr. Speaker, I will check those figures, but I think that the past five months in

employment and manufacturing, it has increased every month in the Province of Manitoba. It was at a rate of I think, 68,000 and dropped down to 60,000 last fall and there has been a steady increase in the last five months. I don't have the figures in front of me that the honourable member has but I'm sure when we analyze them, we'll find that they're probably more favourable than he wants it to be.

MR. EVANS: Mr. Speaker, a supplementary question then. We have to relate to the first four months, Mr. Speaker, because the fifth month we are still living in and we don't have the figures on May, but my supplementary is, how can the Minister explain that the number of workers in the manufacturing industry have declined by 1.9 percent? Because if he looks at the figures that's what they will show, a decline of 1.9 percent in Manitoba, while the level of employment in the manufacturing industry across Canada has increased albeit by a small amount, but nevertheless has increased by .8 percent.

How can he explain us going down and the rest of the country increasing?

MR. JOHNSTON: Mr. Speaker, I do have some figures before me on the manufacturing. From a peak of 69,000 in May of 1980 the level, just as I said previously, Mr. Speaker, the level reported was declined by 13 percent to 60,000 in November. The March to April increase is the fifth consecutive monthly increase and suggests continuing improvement in the general condition in the economic activity. Those are Statistics Canada, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN: Yes, Mr. Speaker, I'd like to address a question to the Honourable the Attorney-General as Minister responsible for Urban Affairs.

Can the Attorney-General give us any up-to-date information as to the status of negotiations between himself, involving Mayor Norrie and the Minister of Immigration, relative to Core Area Initiatives and funding which is available?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, as of this morning I spoke with the Federal Minister, Mr. Axworthy, and the Mayor, and as a result of those conversations I expect that there will be a presentation to the Executive Policy Committee of the City of Winnipeg Council on Wednesday, June 3rd, presenting to them the proposed plan for the Core Area Initiative.

MR. GREEN: Mr. Speaker, can the Minister advise whether there has been any change in the initial level of funding that was indicated would be available or suggested would be available from the Federal Government, to what is now being proposed?

MR. MERCIER: Mr. Speaker, the proposed sharing, one-third, one-third, one-third of \$96 million is the basis of the agreement. There are additional provincial commitments and there are additional

Federal Government commitments, which we have under discussion and negotiation during the past few months which should be confirmed by the time of the announcement.

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

MR. GREEN: Yes, Mr. Speaker. Then may I take it, if my calculations are correct, that of \$96 million, there is still apparently forthcoming approximately \$30 million from the Federal Government. The Honourable Minister said \$96 million, divided by three is \$32 million — would there still be the figure of \$32 million available from the Federal Government?

MR. MERCIER: Yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Mr. Speaker, my question is directed to the Minister of Mines. Could he give us the location of the potash mine; is it right in St. Lazare, or how many miles from St. Lazare, or is it closer to some other place? Could he pinpoint as much as possible the location of that potash mine?

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

HON. DONALD W. CRAIK (Riel): Mr. Speaker, the schedule that was tabled with the announcement indicates that the site selection for the main shaft itself will probably not be finalized until about October when the actual core drilling starts for the site, on the actual site of the main shaft.

In the meantime the siting is still under way, based on the information that is known from the exploration work that has taken place to date. There will be roughly five more holes drilled prior to the actual final site selection. It will be in the area that is generally described as being north and slightly east, I suppose, of the community of MacAulay and the St. Lazare townsite or community itself is further off to the east and a little further north.

That's about as specific as it's possible to be at this time. The main shaft site and the core drilling associated with it will probably not be sited until about October.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRYDE: Mr. Speaker, my question is to the Deputy Premier, who is the Minister responsible for negotiations for the sale of ManFor. In light of the fact, Mr. Speaker, of the questions I asked last week, I thought that H.A. Simmons International were the agents for ManFor, when in fact they appear to be the agents for Repap Enterprises Incorporated. I wonder if the Minister could tell us, in the negotiations with Repap or any other company that's interested in the purchase of ManFor at The Pas, whether or not a condition of sale of that plant is the expansion of the facilities in the changeover to the bleached pulp?

MR. CRAIK: Mr. Speaker, I think the member asked us whether or not a condition of the sale was that it be converted to bleached pulp? That, Mr. Speaker, has been the assumption that has been generally prevalent in the negotiations that have gone on to date, yes.

MR. McBRIDE: Mr. Speaker, on the same subject, I wonder whether the Minister could indicate whether or not part of the negotiations with firms interested in the purchase of ManFor, also involve the discussion of whether or not Manitoba suppliers, contractors, and workers will be fully utilized in any expansion plans?

MR. CRAIK: Mr. Speaker, the member can be assured that any final agreement with anybody becoming involved in ManFor would as far as possible place emphasis on the employment possibilities being expanded in the general region on a priority basis in Manitoba, then I say as far as possible, and it's not possible to go beyond that without becoming so parochial that you do damage to other industries that also draw on, of course, labour from Manitoba. But as far as possible we would put on as much emphasis as we could in that regard. The same would be true of major purchases. Certainly we would put on as much emphasis as possible on Manitoba purchases, but we cannot do that until such time as an agreement is reached. What is done in the meantime by any one of any number of interested parties, of course, is their own undertaking and there's very little that we can do at this point in time.

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

MR. McBRIDE: Mr. Speaker, in light of the fact that one of the companies that appears to be one of the companies mainly interested in Repap Enterprises Incorporated has already signed a Letter of Intent for a supply of structural steel should they go ahead with the purchase of ManFor, I wonder if the Minister could indicate whether or not this has to wait until final agreement is reached since the company appears to be locked in at this stage, or whether that in fact can be part of the negotiations with these companies, then in their explorations and signing of letters of intent that they discuss the feasibility of giving preference to Manitoba companies and Manitoba suppliers?

MR. CRAIK: Well, Mr. Speaker, at this early date it's just not possible, of course, to even make comment on what one of a number of companies may be doing on their own; what their arrangements are, is entirely at their own discretion. I would point out to the Member for The Pas, that even when ManFor was under complete government ownership and construction work was going on in The Pas area, in the completion of the operations in The Pas, that the same troubles were encountered even with a Crown corporation because bids were coming in, as I understand it, on some products that were coming in lower from outside the province. And even for a government Crown corporation operation, it is extremely difficult to put on controls that exclude that competition from taking place in the

marketplace, and it's not be encouraged as a matter of fact in a province like Manitoba because we depend so extensively on our export of products and of talents, of services, professional services and other things. It's a very vulnerable position to be in, a very sticky wicket, if you like, to be in, to put on strong and finite preferences because the retaliation against a province like Manitoba can be much much greater than any other short-term gains you get from it.

MR. SPEAKER: The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Honourable Minister reporting for Manitoba Hydro who took as notice on April 23rd, a question enquiring as to whether Manitoba Hydro had struck its budget for the 1981-82 year. I wonder if the Minister is now able to give the answer to the question.

MR. CRAIK: Mr. Speaker, my understanding is that the Board was to have dealt with that at their Board meeting and I believe that is taking place perhaps at the present time, some time this week at least. So I presume following that, that information will become available.

MR. WALDING: This is a supplementary question, Mr. Speaker. Am I to understand from the Minister that Manitoba Hydro has not yet struck its budget for the year, and if I'm understanding the Minister to say that it will be done this week, would the Minister undertake to provide me with a statement of whether Hydro is forecasting a surplus or a deficit for this year, and if so, how much?

MR. CRAIK: Mr. Speaker, I would remind the member that he was provided with an early budget that was struck in late 1980 and my understanding from Manitoba Hydro is that as a result of the updated information with regard to water conditions in the Province of Manitoba that they wanted to be able to revise that which appears to contain some logic in view of the fact that the drought is affecting the production for Manitoba Hydro as it is other aspects of life in Manitoba and that their wish this month was to do an update on their projections for the year. So as soon as the information is provided to me, Mr. Speaker, I'll be in a position to provide the House with that.

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

MR. WALDING: Thank you, Mr. Speaker. I find the Minister's reply a little confusing when he speaks of an update being prepared by the Board at this time. The question had to do with the striking of the budget for 1981-82 which I presume is done before the beginning of the financial year and even at the Board's November meeting. What I was trying to ascertain from the Minister in the original question and still at this time is when was that budget struck and what were the terms of it? If there is an update that also would be of interest, but my question originally has to do with the origin of the budget in the first instance.

MR. CRAIK: If that information is available, I will provide it to the member. I trust that the update information is perhaps the most important kind of information. I would also remind him that if he had stayed in the Committee on Public Utilities instead of walking out that he would have had that information available to him from the Utility directly which is where it should come from, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: I wish to direct my question to the Honourable Minister responsible for Hydro. Is the Manitoba Hydro a direct participant in the negotiations of the Western Power Grid Agreement or does it have a third party acting as an agent on its behalf?

MR. CRAIK: Mr. Speaker, they have been involved directly along with the Department of Energy and Mines, the Manitoba Energy Authority people, in the negotiations as they have gone along.

MR. HANUSCHAK: Mr. Speaker, would the Honourable Minister then explain the role of the firm Unies Limited that was referred to by the manager of Hydro as being the representative of Hydro in the negotiations with the western provinces? This was stated on a radio program a week ago.

MR. CRAIK: Mr. Speaker, it's quite possible that the firm is a consultant in the work with Hydro. They have not been involved in the negotiations with regard to the Western Power Grid negotiations.

MR. SPEAKER: The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Speaker, would the Minister then undertake to check out the statement made by his staff as to the accuracy of it because listeners were led to believe that the firm, Unies Limited, acts on behalf of Manitoba Hydro because of a difficulty that Manitoba Hydro as a Crown agency has in dealing with ministries of Government. There is some question of protocol or whatever. Could the Minister undertake to bring a clarification of the role of Unies Limited vis-a-vis Manitoba Hydro to the House?

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

MR. CRAIK: I think, Mr. Speaker, that the member ought to direct his question directly to the Hydro officials and, of course, the place to do that is when the corporation appears before the Public Utilities Committee. He refers to the Hydro as being my staff. I want to remind the member, Mr. Speaker, that Manitoba Hydro is the utility that operates its own staff and have been again, as I repeat, intimately involved in the Western Power Grid negotiations as they have been involved, of course, in the Alcan negotiations and other things that involve the important matters regarding the destiny of the utility. So I suspect if he wants to find out what consultants they use that he ought to apply directly to the utility and get that information if it is somehow pressing for

him to discover that, and the best place to do that, I repeat again, is at the Public Utilities Committee.

MR. SPEAKER: Order please. Order please. I wonder if I may interrupt for a moment. I understand the update for members' Rules Books have just been distributed. These are the reprinting of pages that have been affected only. There are some pages in your Rule Book that do not have to be removed, so I would urge you to check carefully so that you don't throw away some of the pages.

The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, a few days ago I took as notice a question from the Honourable Member for The Pas having to do with nursing services at Moose Lake. I am able to advise him, Sir, that we have a native community health worker on site. A public health nurse from The Pas visits Moose Lake two days a week. A medical practitioner from The Pas travels to Moose Lake once a week. But I'm advised that the we have so far been unable to get a public health nurse to agree to stay in Moose Lake, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I would like to direct a question to the Minister of Energy and ask him whether he could comment on reports about the search for oil in southwestern Manitoba and the oil drilling that has been taking place, as to whether or not it has been productive and/or economic?

MR. SPEAKER: Order please. May I suggest that asking a Minister to comment might very well use up the entire question period. I wonder if the member would care to rephrase his question.

MR. DOERN: Mr. Speaker, in view of the oil drilling that has been taking place in the southwestern portion of our province, could the Minister indicate whether this has been productive and economic?

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

MR. CRAIK: Mr. Speaker, it has been productive and economic as far as the Government of Manitoba is concerned in the sale of Crown leases, which is the one measurement yardstick that we can use that shows a positive result at this point in time, but whether or not the drill holes that are being done and the exploration work has been productive and economic at this point in time is too early to tell.

The work that was most recently announced is deep well drilling and there are no results that are yet available from that exploration work, so with regards to the actual exploration work that has been announced in the last two or three months it's still too early to provide any definitive information.

MR. DOERN: Mr. Speaker, does the Minister have any reports on Omega's results which have indicated that their test samples are 80 percent water and that their operation may be wound down?

MR. CRAIK: Mr. Speaker, not other than what I have read in the media generally.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Speaker, I have another question to the same Minister in regards to negotiations for the sale of ManFor. Mr. Speaker, I understand the problem that the Minister was explaining in answering the last question in terms of attempting to assist Manitoba firms to be involved, and I would hope that in future invitational tenders would go to Manitoba firms as well as firms outside the province.

My question, Mr. Speaker, is, in these negotiations is the Minister now changing the emphasis from outright sale of ManFor to a partnership with another company in the purchase of ManFor; that is, is the emphasis now on the government maintaining 60 percent or 40 percent ownership in this Crown corporation?

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

MR. CRAIK: Mr. Speaker, the government has always retained as a possible option partial ownership in any of the natural resource based operations of the government and this includes the ManFor operation. But that is not the main yardstick with regard to any of them, it's whatever provides the best opportunity for the operation to be successful and in this particular case that appears to be mainly to acquire the markets to give a secure long-term sales potential for the product produced and in this case it's obvious it has to be in the long-term a change from unbleached craft to a bleached craft and a change in the present market areas that are being accessed by the production from The Pas operation. So to get back to it specifically, that has been our main thrust and if that means the government retaining a portion of the operation, that possibility is entirely within the options that have been retained by the government.

MR. McBRYDE: Yes, Mr. Speaker, to the same Minister. I would like to ask the Minister if he has now decided to involve the present management and the present board of directors for ManFor in the negotiations for sale or are they completely left out of the negotiations as they were previously?

MR. CRAIK: Mr. Speaker, they are involved, I suppose, from an indirect point of view, but from a direct point of view it has been handled directly by the shareholder which is the government.

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

MR. McBRYDE: Mr. Speaker, I wonder if the Minister can indicate who are the government negotiators besides the Deputy Premier, and when he now expects that some kind of agreement will be reached and a public announcement will be made.

MR. CRAIK: Mr. Speaker, I can't give the member any further information on possible dates other than what was provided at the committee hearings when ManFor presented its annual report, and I indicated then that our objective was to have the matter

finalized by mid-year 1981, this year, which means sometime in the next few months.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Thank you, Mr. Speaker. My question is to the Minister of Education and it's with regard to the questions I asked him the other day regarding the eligibility of Treaty Indians for student aid from the Provincial Government. I would ask the Minister for clarification, if it is the Provincial Government's policy that after a Treaty Indian person has taken up residence in an urban centre for a year or more, that they are after that period eligible for Provincial Government student aid?

MR. SPEAKER: The Minister of Education.

HON. KEITH A. COSENS (Gimli): Mr. Speaker, I'm pleased to clarify that particular matter. Treaty Indians, status Indians are not eligible for bursary assistance, either at the secondary or the post-secondary level, with the exception of the Prince of Wales bursaries that are provided by the province; nor do they become eligible for any type of regular bursary assistance unless they lose that particular status.

So I am informed on further checking that the fact that they may move off the reserve and so on, does not take away their particular status and that they are still eligible for support by the Federal Government.

MR. BOSTROM: Well, Mr. Speaker, there would appear to be a jurisdictional dispute here and in the case of the treaty Indian who has lived in the City of Winnipeg all their lives; I would ask the Minister if that person whose family has lived in the City of Winnipeg and has paid education taxes and other taxes, income taxes and so on, according to the rules of the game which apply to any other citizen of Canada — I'm asking the Minister if that person would not be eligible for Provincial Government student aid, as any other citizen of Canada would be eligible for?

MR. COSENS: Mr. Speaker, if they have retained their status, regardless of how long they may have lived off a particular reserve, they are still the responsibility of the Government of Canada, as it applies under The Indian Act.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Yes, Mr. Speaker, since the Deputy Premier answered half of my last question, I'll re-ask the first half of that question.

Could the Minister indicate who is acting on behalf of the province and on his behalf, in terms of negotiations for sale of ManFor?

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

MR. CRAIK: Mr. Speaker, it's being carried on directly by the Department of Energy and Mines and the principal person involved is the Deputy Minister

of Energy and Mines and there are a number of consultants, from the point of view of accounting, legal and technical, who are also being retained in the process of the examination.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker.

My question is the Minister of Highways and I would ask the Minister if he can provide some indication as to assurances which have been printed in the press that a road from Flin Flon to Lynn Lake, which would take in the communities of Sherridon and Pukatawagan, are under active consideration in the Northlands Agreement, as to funding for those particular roads?

MR. SPEAKER: The Honourable Minister of Highways.

HON. DON ORCHARD (Pembina): Well, Mr. Speaker, I can't give assurances that that's under active agreement for the Northlands Agreement. What was indicated to the Flin Flon Chamber of Commerce and to the Lynn Lake Chamber of Commerce is that they have had for a number of years a request in to construct a road between Lynn Lake and Flin Flon to provide a circle route, which they think would be advantageous from a number of standpoints. I've indicated to them that road is in concept, a good concept. However, I've indicated to them that there are other priorities, Mr. Speaker, in Northern Manitoba in road construction that will precede that kind of construction spending on a direct connection between Lynn Lake and Flin Flon.

The cost estimate on that road is quite substantial and is only a preliminary estimate and we feel at this time taxpayer dollars would be better spent upgrading the road system that we have in place, rather than embarking on new ventures which are going to add considerable to the expenditures.

MR. COWAN: I thank the Minister for confirming discussions that we had had in respect to this road. I would ask him to clarify the record even more if he will and answer specifically, if to his knowledge that road is being considered as part of the Northlands funding arrangements which are currently being negotiated, because according to the articles which both he and I have read and according to our conversations of past, there seems to be some misconception in respect to that and I think that the record should be very clear so that people are not anticipating such if that is not going to be the case.

MR. ORCHARD: Mr. Speaker, the province has put forward as a proposal for funding under the Northlands Agreement, the concept of road construction, one of which could well be the road that we've been discussing. However, we don't know — at least I'm not privileged to information which would indicate that the Federal Government at this stage of the game in the negotiations of the Northlands Agreement, believe that that is the kind of project which should be undertaken under the new Northlands Agreement.

I would suppose that until discussions are finalized, until the Federal Government makes their indication

as to what they are prepared to entertain in terms of projects under the new Northlands Agreement, I cannot provide him with a definitive answer.

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

MR. COWAN: Well, we'll just have to wait until the Northlands Agreement is concluded and I hope that's in the very near future I might add, Mr. Speaker.

I'd ask the Minister of Highways if he can indicate if any further work is intended to take place on the continuation of the split road into the community of Gillam over the next few months, or between now and when this House would next sit?

MR. ORCHARD: Well, Mr. Speaker, let me assure you and the Member for Churchill that the government indeed hopes that the Northlands Agreement is soon given approval by the Federal Government. We are anxiously awaiting the funding commitment so that we can undertake a number of programs which we think are beneficial and necessary to Northern Manitoba.

To further answer his question specifically on the Gillam Road — yes, I hope that we do have some very active construction taking place on that road before the next sitting of the House.

MR. SPEAKER: The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Speaker, I wish to ask a question of the Minister of Education with respect to the student aid for native Manitobans, and ask him to confirm that he has negotiated an agreement whereby the Government of Canada is indeed picking up the bill and the cost of student aid for status Indians who are not on reserves in Manitoba?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Mr. Speaker, this has been the customary practise.

MR. USKIW: Mr. Speaker, I wish to ask the Minister again whether he can confirm that there is an agreement, as between Manitoba and the Government of Canada, on the provision of student aid by the Government of Canada for status Indians who are not living on reserves?

MR. COSENS: I'd have to take that as notice, Mr. Speaker, to check into particular agreements.

MR. SPEAKER: Orders of the day — the Honourable Government House Leader.

The Honourable Member for Rock Lake.

COMMITTEE CHANGES

MR. HENRY J. EINARSON: Yes, Mr. Speaker, I have one announcement to make on the Statutory Regulations and Orders, Mr. Domino for Mr. Dreidger.

MR. SPEAKER: Is that agreed? (Agreed)
The Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Speaker. I have a change on the Committee of Statutory Orders and Regulations; the Honourable Member for Wellington in place of the Honourable Member for St. George.

ORDERS OF THE DAY

MR. SPEAKER: The Government House Leader.

MR. MERCIER: Mr. Speaker, would you call Bill No. 62.

ADJOURNED DEBATES ON SECOND READING BILL NO. 62 — AN ACT TO AMEND THE WORKERS' COMPENSATION ACT

MR. SPEAKER: Second Reading, Bill No. 62, standing in the name of the Honourable Member for Logan.

MR. JENKINS: Mr. Speaker, I adjourn this debate on behalf of the my honourable colleague, the Member for St. Johns.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, one can well understand that some of us have some difficulty in carrying on our debates due to reasons beyond our control.

Mr. Speaker, I would like to proceed with a question that I was trying to ask yesterday which was blocked and therefore, not being able to ask the question to get an instant response from the Minister because of that, I will pose the question to him now.

Some time ago I sent some copies of correspondence dealing with a split compensation being paid to a certain person who was injured and who received compensation, 50 percent from the Saskatchewan Workers' Compensation Board and 50 percent from the Manitoba Board. It appeared from the correspondence that the method whereby inflation rates and cost of living were taken into account in Saskatchewan differed from that of Manitoba, to the extent that the . . .

MR. SPEAKER: Order please. I find there is a great deal of conversation going on, making it difficult to hear the remarks of the Honourable Member for St. Johns.

The Honourable Member for St. Johns.

MR. CHERNIACK: The Saskatchewan increases relating to cost-of-living increases apparently were coming more rapidly than the Manitoba and it was felt that the Manitoba increases should have been speeded up due to the fact that inflation has been unprecedented.

In view of the fact that as I interpret this legislation that's proposed, there will be an increase to take into account certain costs of living, although that's for a long time ago, that's for 1978-79, I believe. I would still like to know just how this one individual's pension from Manitoba will compare in its increase to the pension that he is receiving from Saskatchewan. I assume the Minister would be aware

of that. It would be helpful to know whether there is sufficient catch-up to put the Manitoba payment on the same level or the same basis as the Saskatchewan, whether we will now be ahead of Saskatchewan because of this legislation or whether we will continue to be behind Saskatchewan.

I make the point, Mr. Speaker, from reading the introductory speech yesterday by the Minister of Labour that it's a formula being followed, established some time ago, but when we addressed this subject on May 6 last, I had suggested that the unprecedented inflation rates justified a reconsideration of the policy so that people who are suffering from the fact that their compensation is more limited than the inflation spiral, that the policy would be reviewed and changed to accept that. At that time, the Minister said that he was not prepared to change the policy that had been in place over the many years but that, he said then, on May 6, they would be prepared to give consideration to upping the benefits in this particular calendar year.

I assume that this is the bill which comes as a result of the considerations that he said would be given and therefore I would like the Minister to deal, when he closes debate, with the comparison of the Saskatchewan and Manitoba increases after this legislation goes through, in connection with that constituent of mine and secondly, to indicate whether or not there should not have been some form of speed-up in the formula in order to recognize the high inflation rate.

Mr. Speaker, today in the question period, I pointed out that the rates have really gone to an astronomical height. It's really frightening, Mr. Speaker, when we see interest rates that the Bank of Canada are charging, 9.06 percent. The result, I believe, would be about a 20 percent prime rate. The result would be, for consumer loans, probably, I don't know, 24 or 25 percent. It is a situation which requires a great deal of attention and consideration, which I believe it is not getting from this government. I don't know the extent to which this bill in itself recognizes that; I doubt it, since it doesn't go beyond 1979. But you will notice that this afternoon, the Minister of Agriculture did say that they are considering assisting the farmers but the Minister of Economic Affairs says they have no plan along the lines of debt consolidation that are being considered by the agricultural side of the Cabinet, which means to me, Mr. Speaker, that their colleagues in Ottawa are making big speeches and crying about inflation taking place and high interest rates — they have no power in Ottawa, the Conservatives — but the Conservatives in Manitoba have power and they have the budgetary opportunities to do something and as far as the Minister of Economic Affairs is concerned, he said, "We have no plan." I am glad to know the Minister of Agriculture and whoever in the Cabinet is concerned on behalf of the agricultural community, which is the way he put it, that they at least may not have developed plans but are thinking about it.

The Minister of Economic Affairs has no plans for the small businessman, the consumer — I don't know where he is at all, but we are talking in relation to this bill to people who are consumers and that's all they are, they are not productive earners, they are not business people, they are people who are on pension, on Workers' Compensation and they, I

believe, are so close to a fixed income that they ought to have greater consideration, and I would suggest, a greater consideration than relating to the increases that are a couple of years old — I think it is; I may be wrong in my estimate of how far back they go.

So I hope that the Minister, in his response, will deal specifically with my question regarding my constituent and, generally, with the points that I have raised.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Mr. Speaker, it is difficult to argue against this type of legislation which allows for the customary increases in Workers' Compensation payouts for pensions and benefits, which we have grown used to over the past number of years. I believe the Act was brought forward in its present form in 1974, or amendments were brought to the Act in 1974 which allowed for this sort of systematic increasing of pensions and benefit payouts in accordance with Consumer Price Index increases.

We certainly don't argue against the fact that workers on Workers' Compensation are going to get more money, that their wives and husbands who are widowed and that their children are going to be getting more money out of this program. We think the amounts which they are going to be getting under this particular legislation is not enough and I'll explain that in more detail. We also believe that because of changes which were made in 1979, which the Minister of Labour at that time indicated would be changed back to the way they were previously in 1980 — and I'll read into the record his comments at the time to substantiate that claim — have resulted in workers being farther and farther behind in respect to increases in Workers' Compensation payouts than they were before.

Finally, I want to talk a bit about the Workers' Compensation Review Committee, the Lampe Committee, which has been undertaking a review of Workers' Compensation procedures over the past couple of years and which we would have hoped to have been able to read a report about before we had to discuss this bill and I will read some remarks into the record in respect to that as well.

So I think what is important for clarification is that we support the increases which have been brought forward by Bill No. 62 as far as they go; they do not go far enough.

Why do I say that? Well one has to review the entire situation from a historical perspective and in the context of what has transpired in the past. In 1974, as I said before, this amendment was brought to the Workers' Compensation bill which allowed for this sort of legislative increase in pension payouts and benefit payouts on the basis of increases in the consumers price index. Let's review what happened at that time.

At that time workers who were receiving payments before July 1, 1974, had a percentage increase given to them in their pension payouts and it ranged anywhere from 25 percent for those who were injured before January 1, 1969 to 8 percent for those who were injured before December 31, 1971 and January 1, 1973. The key element in respect to that was at that time workers were 18 months behind the

consumer price index increases in respect to the increases which were provided to them by legislation. In other words, the Act took into consideration inflationary increases for December 31, 1971 to January 1, 1973 and said that those were 8 percent and paid that 8 percent to those workers who were injured before July 1, 1974.

There's a time lag in there and that time lag was built into the legislation. I don't know why it was built into the legislation. The previous Minister could certainly indicate why it was; perhaps the present Minister knows why there was that time lag. I can only conjecture at this point that it was built in so that one would have a clear picture of individuals who had been injured in that time, in other words, so that people wouldn't be checked from getting these increases because their files hadn't been completed or because decisions hadn't been made on their cases. But that is pure conjecture on my part, Mr. Speaker, and I look forward to discussing the matter with the Minister during the committee hearings so that we can find out why it was that that time lag was built into the legislation at that time.

The legislation was again changed in 1976 and at that time it said a worker injured before July 1, 1976 would get compensation increases based on consumer price index increases and it went back to January 1, 1975. Again we see that same 18-month time lag, all of 1975, which was 12 months and then the six months of 1976, which was 18 months.

One would have expected, including the Minister, that the increase next to come before the Legislature would be in 1978, following the two-year pattern, but it was not. The increase was held over that year and did not come before the Legislature until 1979 in the form of Bill No. 35, An Act to amend The Workers' Compensation Act at that time. It too, went back two years. The only difference was, there was a three-year period between the pieces of legislation which were brought to the House in order to correct the benefits. So that Act called for anyone injured before July 1, 1979 to receive benefits based on a time period from December 31, 1975 to January 1, 1977. Therein lies the problem because they then had to go all through January to December of 1977, that was 12 months; all of 1978 that was 12 months; and the six months of 1979 which accounted for 30 months. So we have now increased the time lag from 18 months to 30 months.

When we discussed this Bill No. 35 in the Legislature in the committee in 1979, we brought that problem to the attention of the Minister. Not only did we bring it to the attention of the Minister, Mr. Speaker, but those persons who were coming forward on behalf of workers to make representations also brought that matter forward.

When we were discussing the clause-by-clause section of the bill on June 13, 1979, the Member for Kildonan asked the Minister if he could refer to what had occurred in respect to the time lag being increased from 18 months to 30 months. I would like to put the Minister's reply on the record now because I think it is important that we know verbatim what was said, the assurances which were given and the promises which were made. I do that because they were not kept, Mr. Speaker, plain and simple. I can categorically state that the Minister gave us assurances which he failed to uphold; the Minister gave us promises which he failed to keep.

But let's see what he said at that time: "Mr. Chairman. it was my intention to review the Act and the procedures in the appeal procedures in the next few months. If conclusions cannot be reached, then the year 1980, instead of going for two years will go one year this time and next year we'll review and bring it up and I would hope that whomever is reviewing the entire procedure, the entire Act, may have other ideas that could be favourably considered even before we get into 1980. It's always been on even years, every second year now. I don't know who on earth can tell us why." And I indicated, as an aside, Mr. Speaker, I didn't know who could tell us why, other than the previous Minister or perhaps employees of the department who were part of that decision and in fact did try to develop a rationale for that decision.

But let's get back to what the Minister said. He continues on, and I quote: "We can all question why a thing has been as it is but the fact is that it certainly should be reviewed next year, rather than waiting, using this as a base year and going two years to 1981. I have no intention of doing that and I think that relieves what you are saying."

Now, Mr. Speaker, I am somewhat embarrassed to have to bring this up to you at this time because we should have asked this question last year. We should have asked the Minister of Labour, where was the bill that he had promised us in that committee hearing on June 13, 1979 that would correct the imbalance which he had caused by waiting a third year to bring the bill forward, and we didn't? So we certainly have to assume some responsibility for not having been more forceful in bringing that matter to his attention. But to be perfectly honest with you, with everything else that was happening last session, it slipped my mind and it slipped the minds of others on this side who were interested. It wasn't until I went back to review the Act this year that it came back to me, the assurances that the Minister had given us.

What did he assure? Well I have read into the record his words; let me paraphrase them. He said that he was aware of the problem that workers were now going to have to wait 30 months instead of 18 months; he said he would bring something forward in 1980 to correct the problem and he also said that he certainly wouldn't wait till 1981 to correct the problem. In that sense he's right; he hasn't corrected the problem this year, he has continued the problem but he did wait until 1981 to bring something forward which when he did bring it forward in fact, did not correct the problem.

He could have — and perhaps we can talk about this amendment when we get into the committee stage — he could have just extended the year one more year and written into it the consumer price index increases in that year and then there would have been only an 18-month time lag again. I am not so certain that we want to incorporate that 18 month time lag again. I am not so certain that if it was necessary in 1974 when the Act was amended to provide for it that it is still necessary today. I do hope the Minister can ask personnel from his own department who are familiar with why the Act was amended in that way, and why there was a one year time lag; and further to that why we have not been able to correct that 30-month time lag which is an

increase of 12 months by the legislation this year, because we will be asking those types of questions when we are in committee. I think it's important to put that on the record that are workers were disadvantaged most in 1979 and this continues that disadvantage which was built into the Act.

Let's think about that for a minute. We know that over the past few years inflation has been growing at leaps and bounds. It has been increasing at a much greater pace than it has in years previous. Maybe in 1974 — and I don't know what the inflation was that year — but I can assure you that it was not double digit. Maybe in 1974 it was considered that the inflation rate was such that an 18-month time lag could be accommodated. But certainly given the double digit inflation that we've had in a number of years since then, and given the great increases in inflation which we are suffering through now and it looks as if we will suffer through for some time, it is necessary at this point to shorten the time lag, rather than to lengthen the time lag. In other words at the very minimum we should get back to the 18 months but I would suggest to you that probably isn't good enough any more, if it was good enough then. We've got to get it down shorter.

Now the Member for Burrows when he talked about this bill in Second Reading, made a point which I think had been made previously and was credible when it was made previously and was credible when it was made last by him and that's in respect to regulations. Why can't this be done on a formula basis by regulation so that we don't have to go through the legislative process every two years or every three years as the case may be? It's entirely possible, as a matter of fact part of that which the Act deals with, and that's in respect to the upper limit, is done by regulation. I am certain the Member for Burrows is aware of that; that when they talk in the Act about changing the figure from \$18,000 to \$21,000 which is the upper limit, we have already seen that happen by Ministerial Statement as the Minister brought regulations into effect which would accomplish that which was necessary, or perhaps it's automatic by the legislation, but it does happen automatically. Well these other sorts of changes could be brought about automatically as well. Why haven't they?

I think one of the reasons that there have been no changes in The Workers' Compensation Act over the last couple of years outside of these very necessary changes, is that the Minister has had this Act under review for a number of years now. On December 21st, 1979, the Minister announced the formation of the Lampe Committee — that was not the first we heard of a review — in the committee hearing which I discussed previously, on June 13th, 1979, almost two years ago, the Minister said, and I read the statement that they were going to review the Act. Now what did he say at that time? He said they were going to review the Act and then he went on to very specifically say and I quote: "the entire procedure", and I quote again, "the entire Act."

That's what they were going to do and that they were going to review the appeal system in its entirety and they were going to also make certain that that review committee look at Bill No. 35, which is exactly similar to Bill No. 62 except for the numerical changes, in order to try to determine a way by which

we could incorporate automatic changes into the program so that we wouldn't have to go through this process every couple of years.

At that time we were enthusiastic about the review and encouraged the Minister to formulate the committee and to have that review come forward with its recommendations. As I said earlier, it was announced in December of 1979. Last session we had anticipated that a report would be brought forward before the House for our review and our discussion. At that time we could have talked about that report and what that committee had to say in respect to Bill No. 62 or Bill No. 35, whichever bill you want to use, if it was 1979 or 1981. That report didn't come for that legislation. Towards the end of the legislation — you recall it went quite late that year — on July 16th, 1980, I asked the Minister, where is this report? The Minister said at that time that he expected a report from them shortly. That was his terminology at the time, that's a quote, "shortly." Well there was no report shortly and when we then went to Estimates this year on February 19th, we asked the Minister, where is the Lampe Report? He told us it was at the printers — that's what he said — it was at the printers, those are his words. At that time he said it will be available to members of the House and the public in what he anticipated to be one to one-and-one-half months. So if we take the far extreme of that figure, that would have been February, March, so we should have received that report by the end of March.

Now had we received that report, according to what the Minister indicated to us in June of 1979, we would have been able to see what that Lampe Committee had to say in respect to this type of change in The Workers' Compensation Act which takes place every second year — or should take place every second year according to the tradition — but we haven't seen it. So we're now faced with discussing this Act without having benefit of that report available to us and we will be asking the Minister in committee, and perhaps when I finish my statements if there are no other speakers and he wishes to close debate, he can indicate where that report is now. But I'll bet you I know what he'll say. As a matter of fact if he is honest with us, I know exactly what he'll say.

He will say it's been to the printers and it should be out of the printers by now and for some reason it's not distributed or perhaps it's at the printers right now. But remember when we asked him in February where it was, he said it was at the printers then. Well how long does it take for a report to get printed? That question has to be put on the record. How long does it take? He assured us at that time that it was at the printers. I will bet that he'll have to say that it's at the printers or just out of the printers right now, and yet he told us it would be ready in a month-and-a-half and it's now almost three months, three-and-a-half months and the report isn't available to us.

I will suggest even further than that, Mr. Speaker, that when we get the report, the report won't deal with this part of the Act at all; that there will be very little reference to the problems that are created by changing the Act in this way in that particular review and if there is, there'll be no recommendations.

Now why do I make that statement? Well recall that when the Minister indicated that there was going

to be a report made in 1979 he said, "the entire procedure in the entire Act was going to be reviewed", but when he indicated that the committee had been formulated on December 21st, 1979 — and the Minister will recall that we criticized him and condemned him at that time for what we considered to be his renegeing on his earlier promise to review the entire report — because what did he have to say at that time? He had to say that, "It must be emphasized, the committee is not conducting a review of The Workers' Compensation Act nor the Board itself," the Minister said. "Rather the committee's terms of reference zero in on procedures." Then he went on to say, "The committee will review how the compensation procedures work, from the time a worker files a claim through his employer, or how the claim is treated at the board", Mr. MacMaster said.

Now he severely limited the mandate of that committee and he went on, on the second page of that press release of December 21st, 1979 to say, "The terms of reference limit the review to procedures relative to the filing of claims before the boards; report of the medical profession; oral presentations before the board; the role of the workers' advocate; request for case reviews; case appeals before the board and case appeals before the medical panel."

Nowhere in that list of terms of reference is it indicated that the board in fact, can review this procedure which we're talking about today and that's in respect to increasing the Workers' Compensation pensions and benefits to those affected by it, legislatively.

As a matter of fact, the Minister must have wanted to make certain that there was no mistake because on February 15th, 1980 another press release came out in respect to Workers' Compensation public hearings which were being held throughout the province, and at that time it said, "Terms of reference for the committee limit the review to matters relative to its procedures. This includes a filing of claims with Workers' Compensation Board; medical professionals; reports relating to claims; presentation before the Workers' Compensation Board; the role of the worker's advocate; request for case reviews; appeals to medical review panels and appeals to the Board." So that committee was severely limited in respect to its terms of reference.

Now I understand that they have gone a bit beyond the original terms of reference — I don't know in which way they have gone, beyond the original terms of reference and I can assure the Minister and I put it on the record — that I have not seen a copy of that report nor do I know the contents of that report; that the people he had on that committee have been very very closed mouth as to what was in that report.

I also assure the Minister that I asked — I mean I would be foolish not to ask — because I'd asked the Minister to provide us with a xeroxed copy of that report so that we could review it over the course of the session; so that we could talk to that report at times like this, and he denied us that access.

Well when the Minister denied us that access to the report, which is going to become a public report anyway, I felt that it was incumbent of me to try to get information on that report as I might have been

able to; I was not able to. But I do know what has been said previously and I do know what the Minister has said and I have followed this committee and the Ministerial remarks on this committee, very very closely over the last couple of years.

I don't wish to belabour the point. I think everything that we have said before, except in specific reference to Bill 65, has been said on previous occasions but I do wish the record to be very clear. We are disappointed that this report is not available to us, when at a time such as this we are required to review the mechanisms of the Act in order to be better legislators; in order to provide for better Workers' Compensation benefits and procedures to workers of this province. We feel that the Minister has reneged on the promise to make changes in 1980, which would have corrected the increase in the time lag which was brought forward under his administration, and in an Act under his name in 1979.

We feel that he has reneged in respect to the terms of reference of the committee which was reviewing the Act or reviewing the procedures when he told us that it would in fact be reviewing the Act, and then severely limited it. We feel that he has on every occasion that we have asked the question, has lead us astray in respect to when we can expect that report. Recall that he said we could expect it very shortly in 1980 — a year ago; recall that over three months ago he said that we could expect it in one to one and one-half months. I can assure you the Minister was giving himself some maneuvering room when he said one and one and one-half months. Obviously he didn't give himself enough maneuvering room — I don't know all the problems which have prevented that report from being brought forward — but the fact remains that it has not been brought forward. The fact remains that we have to make these sorts of changes to The Workers' Compensation Act at a time when that report would be very valuable to us and we do not have access to that report, nor do we have detailed access as to what was in that report.

Having said that, Mr. Speaker, I would like to close on just a few general remarks in respect to Workers' Compensation and why this Act is so necessary. I got a bit ahead of myself, Mr. Speaker, I'd like to back up one second.

Also I'd like to give the Minister notice that when we're talking about this and discussing this bill in committee, I would like to talk about the reasons for exempting those with a partial disability where the impairment is less than 10 percent from the inflationary increases, which are provided to everyone else. That, Mr. Speaker, was brought in by the previous administration; it was part of the original amendment in 1974 so I am not suggesting that the Minister is to blame for this. I'm not even suggesting that perhaps there isn't some substantial reason for it. However I do think that we should be able to discuss it in some detail.

I at this point, without being privy to a great deal of information on it, cannot see what the difference is between an individual who has 11 percent disability and the individual who has a 9 percent disability. Why should one get an inflationary increase and why should the other not? It makes a difference over a number of years. It could make a

difference of — and the Minister may be able to correct me in committee — but my quick figuring indicates it could make a difference of a couple of hundred dollars, just given the provisions of this Act right here. So why should that individual who has a 9 or 10 percent disability not be able to gain those inflationary benefits as does others?

An individual has to exist in the same system where the inflation rate is increasing at an unacceptable rate and a very high rate; the individual has to buy the same goods and services; the individual has to live on the same pension and there's not much difference between 9, 10 and 11 percent, so why should one be different than the other? How much would it cost the government in order to correct what appears to be an injustice? — (Interjection)— Well the Member for Kildonan is absolutely right when he corrects me or answers my question; it wouldn't cost the government anything because it's an employer-funded program. How much would it cost the employers then? What sort of effect would it have on the Workers' Compensation fund because the government has to be concerned about that?

Now to go back. Last year in this province, Mr. Speaker, I believe there was 46,000-and-some odd workers who filed accidents with the Compensation Board - those were not all lost time accidents — the Minister probably has the figures more readily accessible to him than I do, although they are a matter of public record in the Workers' Compensation report. They have been increasing year by year. Not only have they been increasing on an absolute basis but for the most part they have been increasing or hovering around the same per worker ratio. In other words, so many workers injured per so many workers in the work force. The situation is not getting any better; the situation if anything is getting worse; we've talked about that in this House on numerous occasions; we've been critical of the government; we've been critical of other persons who have been entrusted with providing safe and healthy conditions in workplaces yet with all that, the increases are significant year by year.

It costs Manitoba a great deal of money. When the Member for Kildonan said that the compensation fund is an employer-funded program, he's absolutely right and I believe the payouts last year were somewhere in the order of \$20 million — it may have been 21, it may have been around that figure — but that's only the money that comes out of the Workers' Compensation fund alone and that's the smallest part of the total bill. That's the least expensive part of dealing with workplace accidents.

Experts who have studied this more than I have — and I have to rely upon them for their analysis — indicate that for every dollar that is paid out in compensation, anywhere from \$5.00 to \$15.00 are lost to the gross provincial economy. They are lost because accidents necessitate that new workers be brought on stream; they have to be trained; there's a cost that can be attributed to that training; there is more money lost than is paid out in compensation because the workers are losing wages — 75 percent of the wages — there is down time for production; there's damage to machinery which costs money to repair so all these costs add up. If we use those sort

of global figures, we find that the Workers' Compensation bill to the Province of Manitoba last year, cost anywhere in the order from \$100 million to \$400 million. That's a tremendous amount of money.

If you take the high end of the scale, you're talking about some of the mega-projects, which the government touts out before us every so often. If you take the low end of the scale you're still talking about a significant amount of money; you're talking about \$100 million lost to the provincial economy. So we have to deal with the problem at the source and that is by making for safer and healthier workplaces. That is the primary goal or should be the primary goal of any government and I would suggest to you that even given the opportunity and the advantage of working with what was one of the most progressive Acts in the country, that government failed in any way to significantly reduce accidents in this province.

It must also be said that when we're talking about Workers' Compensation figures and the Minister will agree, that they do not take in all the accidents; that there are many accidents that are not reported to Workers' Compensation; that there are many injuries that never make their way into the statistics and that is but a part of it, perhaps a large part of it, but a part of it nonetheless.

So we must work much harder, much more diligently and with much more enthusiasm than has been shown over the past three and one-half years, to ensure that workers aren't injured on the job. But even with that good effort; even with that hard work; even with a bit of luck we will find that there are workers who are still injured on the job. We will find that there are workers who suffer occupational diseases. We will find that in spite of our best intentions and our best efforts we will not be able to entirely stem the slaughter, which is ongoing in workplaces throughout the industrial world.

So we must have a Workers' Compensation scheme; we must have a way to reimburse workers monetarily for their financial losses which come as the result of occupational illnesses and occupational diseases. Unfortunately we can never reimburse them for the pain and the suffering and the agony, which accompanies those accidents. We can only do that by doing our best to prevent the accidents in the first place, but compensation is an important part of the formula as well; it's the other side of the equation.

We are looking forward to finally being able to review a report which was promised to us over a year ago with the Minister so that we can come forward with recommendations and ideas, suggestions and concepts which may in fact make the Workers' Compensation system more efficient, more effective and better suited to the needs of injured workers. I don't think it is as good a system as it could be at the present time. I do think and I think the Minister will agree that changes are necessary. I think they're long overdue and I'm not placing on the Minister or his government any fault for not having changed the Act in its entirety now. I am accusing him of a bit of foot-dragging in respect to the review and that by implication may suggest that they have been dragging their feet in respect to changes. I'm not so certain what will happen with that review once it comes forward because the Minister in his press release went out of his way to

point out that he is not bound by the recommendations of the committee, and we know he's not.

I just hope that we don't have the fiasco which we had with the Wright Committee Report and that is, we have another committee to look at the recommendations of the first committee and when we get the recommendations of the second committee we find that not all of those are going to be implemented in their entirety as well. I hope that we don't have to suffer through that sort of an example again, but I'm fearful that we will.

I'm not optimistic given the history; I'm not optimistic given the fact that the Minister has been unable to come through with any of his assurances or any of his promises in respect to this particular Bill and a bill similar to it in previous years.

Having said that, I don't wish my remarks in any way, to be taken to be critical of the increases which are provided for the workers by this Act for the years for which they are provided; but I do want it to be said that the years upon which the basis is being calculated should be extended; that there should be less of a time lag in respect to the payment of those benefits; that we have to look in greater detail and greater depth at making changes which would make this a more regular process and would not mean that workers have to wait so long for money which is due to them, money which is coming out their pocket because of inflationary increases in the cost of goods and services. So having said that, we're prepared to let this Bill go to second reading and expect to be able to discuss those points in more detail at that time.

MR. SPEAKER: Are you ready for the question? The Honourable Minister will be closing Debate. The Honourable Minister of Labour.

HON. KEN MacMASTER (Thompson): Mr. Speaker, I'll keep it brief. There are two or three things I want to say and I think many other things can be said and will be said in committee.

I'll go backwards, forward as to the relation to the comments. The member in his final minute or two made reference to the Wright Report on Safety in the Mines. I know that that's a sensitive issue with him and his party for several reasons. They had eight years to look at safety in the mines and never chose to, so I know it is a sensitive issue with them in the mining community. I know they also appreciate the recommendations. I know also that if the Member for Churchill would tell the whole story because he was at Flin Flon at a conference sponsored by this government, where the union members in the industry unanimously agreed to establish a committee to bring forth recommendations on how to implement that, and when he's talking he always forgets that little gap of why there was a gap. The gap was at the request of the industry and the unions. If I'm at fault then I'm at fault to listening to the act of participants most closely associated with that particular report.

Nevertheless, we have now the recommendations of that. The Member for Churchill also knows that we're moving on some of them. He knows and I know that some will not be moved on rapidly as per the recommendations of the report itself. He also knows again as I said that some of them are being

acted on. He comes from a community, or at least he represents a community — he doesn't live up in that community — but in Leaf Rapids and the Lynn Lake area in his constituency he knows that some of our divisions are active with unions and the company in that particular area.

Going again backwards and hopefully end up with the Member for St. Johns' situation. The member knows that the procedures as he relates to the Lampe Report, he knows that the procedures or the problems, the vast problems, the vast majority of concerns expressed by working men and women in this province has always been with the procedures. Going back many many years, I remember them when I was pretty actively involved in handling a lot of compensation problems.

He also notes because I believe he actually was physically in attendance at some of the hearings of the Lampe Committee, but if he wasn't I'm sure he's made aware that a tremendous amount of attitude was given to that committee. Yes, we talked about the procedures and we talked about the other items that the member read into the record, but he also knows that that Lampe Committee turned nobody away, no presentation away and they listened closely to virtually all kinds of aspects and presentations as they related to Workers' Compensation in this province.

He knows also that that report is taking longer than I had hoped but he also knows if he wants to be completely honest, that it probably would have in our hands many many months ago, if in fact what he suggested is true that I had said, "Procedure is all you can talk to and listen to," the Lampe Committee would have had to turn away a good number of presentations.

If I had tried to demand in any way of them that they can find their listing abilities to just certain sets of criteria, he knows that. He also knows, he's asked the question in the House and if it hasn't been in the House it's been out, but he also knows that that committee has been allowed a lot of latitude; he knows there's never been anybody turned back, so consequently he also knows that it's going to be a much more encompassing report, that the insinuation was that it was strictly procedures. Now he knows that. —(Interjection)— Well, he keeps talking from his seat. You had a great opportunity to stand up and now I guess his fancy is getting tickled somehow, so he can just sit there and listen for a change.

So he also knows, Mr. Speaker, that it will be a fairly comprehensive report and I share a little bit of his lack of knowledge because I don't know what's all in that report either, but I do know in conversations with members from that committee that it will be fairly comprehensive and certainly will deal with a great deal more than just the procedures. —(Interjection)— I guess we'll be getting it soon. I would hope in the next month or so. I suspect that the member will be reasonably satisfied with some of the comprehensiveness of the report if he really was paying a lot of attention to the presentations that were made.

Mr. Speaker, I'll end up attempting to address the situation that the Member for St. Johns' posed. He made reference to the fact that Saskatchewan, and these aren't his exact words, but the inference was

that Saskatchewan has a better pension system than Manitoba. I think we should start off right from those words and he should be made aware of the fact that the Province of Saskatchewan does not have a permanent disability pension system. So the terminology, I think, is important and the Member for St. Johns being a member of the legal profession will understand what I am saying when I say that we do have pensions as it relates to disabilities; the Province of Saskatchewan does not. What the Province of Saskatchewan has, is a loss of earnings situation which may be reviewed periodically and may be upped periodically. I should also tell the Member for St. Johns that that system of theirs is not a pension plan per se; that system of theirs goes off at age 65 and that system of theirs, Mr. Speaker, is also subject to being lessened by the Canadian Pension Plan contributions.

With those particular words I'm sure that the Member for St. Johns will mull that around a bit and when we get into committee, I think in all sincerity he'll appreciate that by and large the disability pension system we have in Manitoba is a better system.

Thank you, Mr. Speaker,

MR. SPEAKER: Are you ready for the question? Will the Honourable Minister submit to a question?

MR. CHERNIACK: I'd like to ask the Minister a question. Since I won't be able to go to the committee because I have another one, will the Minister permit a question?

MR. SPEAKER: Order. Order please. The Honourable Minister of Labour.

MR. MacMASTER: Yes. I don't know whether you'd call it fair or honourable or what you call it but if the member is telling me he can't be in a committee, I'll certainly accept his question and do my best to answer it.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, in view of the fact that I will be in the other committee concurrently with this committee, I wonder if the Minister would — if he couldn't give me the answer now — would give me the amounts I requested, the comparison of amounts as between the Manitoba and Saskatchewan 50 percent each share for this pension?

MR. MacMASTER: I can endeavour to get that precise figure but if I could give the member an example. I went through this, I think, with the Member for Logan or Kildonan a couple of years ago where we were talking about Saskatchewan versus Manitoba and quite clearly in a good many cases we are far superior. You know our Compensation Act and our system in Manitoba is a damn good one; one of the best in this country.

I forget what the example was at that time, I think it was a construction electrician and as you worked out the formula we were way ahead. One that I had asked them to run one off — and we can run off a dozen if you'd like — was an example of a person

losing his leg and is able to earn what he was earning before the accident. He would receive a lump sum settlement of \$5,000, in Saskatchewan which is 50 percent disability. That's an example of how they handle that situation. In Manitoba he would receive a lifetime pension of \$650 a month. Here again you get into the different philosophies — and I'm not condemning Saskatchewan — I'm not praising our way in any great extent but really basically as a past union man I think ours far superior. I never did like the lump sum settlement case. I used to fight with people trying to convince them not to, but our system is very simple in that particular case. He would \$650 a month for life.

Now, 10 years is \$78,000.00; 20 years is \$150,000 or \$160,000; far superior under those sets of circumstances as they relate in that way to the Province of Saskatchewan, and there are other systems across the country you can get mulling into. I may have to just try and zero in on the precise situation that the member had with his constituent; find out what kind of an action it was; what type of disability he's on because he'd be on a disability pension in Manitoba, but he wouldn't be on a disability pension in Saskatchewan, he'd be on a lost earnings which has a cut-off date which is subject to CPP if he — I'm sure he understands what I'm saying — and it could be complicated but I'm sure we can work that out.

MR. SPEAKER: Are you ready for the question. Is it the pleasure of the House to adopt the motion?

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Government House Leader.

MR. MERCIER: I indicated the Committee on Statutory Orders and Regulations and the Committee on Privileges and Elections will meet immediately following adjournment which will be immediately; and they'll also meet at 8 o'clock tonight if necessary to complete the consideration of the Bills that were being referred to; and the House will meet at 10:00 a.m. tomorrow.

I therefore move, Mr. Speaker, seconded by the Honourable Minister of Finance that this House do now adjourn until 10:00 a.m. tomorrow morning.

MOTION presented and carried.

MR. SPEAKER: The House is accordingly adjourned and stands adjourned until 10 o'clock tomorrow morning.