

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 30 June, 1987.

Time — 1:30 p.m.

**OPENING PRAYER by Madam Speaker.**

**MADAM SPEAKER, Hon. M. Phillips:** Presenting Petitions . . . Reading and Receiving Petitions . . .

### PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

**MADAM SPEAKER:** The Honourable Member for Burrows.

**MR. C. SANTOS:** Madam Speaker, the Committee of Supply has adopted certain resolutions, directed me to report the same and asked leave to sit again.

I move, seconded by the Honourable Member for Lac du Bonnet, that the report of the committee be received.

**MOTION presented and carried.**

**MADAM SPEAKER:** Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills . . .

### ORAL QUESTIONS

#### Cormack Report - tabling of

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

**MR. G. FILMON:** Thank you, Madam Speaker. My question is for the Minister responsible for the Workers Compensation Board.

The Minister has consistently refused to make public the report of the Long-Term Claims Disability Committee that was prepared for the Workers Compensation Board. Last evening, I read into the record a number of the very negative comments and criticisms that are contained in that Cormack Report, and we can see why the Minister is refusing to make it public because it has such a damning condemnation of his government's efforts and the policies of the Workers Compensation Board.

I wonder now if the Minister, finally, will have the courage to table that report in its entirety.

**MADAM SPEAKER:** The Honourable Minister responsible for Workers Compensation.

**HON. H. HARAPIAK:** Madam Speaker, I have made it very clear that was an internal report that was asked for by the Board of Commissioners, and it was meant for the purpose of improving the system within Workers Compensation. This is one of several reports that are dealing with the Workers Compensation, trying to make it a more humane, efficient Workers Compensation

system. We feel we are working in that direction, and that report will be used as one of the building blocks.

We're dealing with revamping the Workers Compensation Board and it will be used, along with the review committee's report as well, which addresses many of the same issues that are addressed in the long-term committee's report as well. We will be using all of these, along with some other suggestions that we are getting from other jurisdictions.

There are Workers Compensation Boards right across Canada and there are some aspects which can be used. We will be gleaming some parts of those systems, combining them and we will be coming up with a recommendation as to how we will be proceeding in making the Workers Compensation more humane, in how the injured workers, their widows and children will be handled in their treatment.

#### Workers Compensation Board - disability awards - action re criticism

**MR. G. FILMON:** You can't have a fair and humane system of Workers Compensation when millions of dollars are being squandered by mismanagement . . .

**MADAM SPEAKER:** Does the honourable member have a question?

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

**MR. G. FILMON:** . . . being squandered by mismanagement under his direction. Madam Speaker, the report of the Long-Term Claims Disability Committee said that awards are being made which cannot reasonably be attributed to the compensable incident. What action has this Minister taken to deal with this serious criticism?

**HON. H. HARAPIAK:** Very clearly, Madam Speaker, if there is money being squandered, it is not being squandered; it is being spent on injured workers and their families. We very clearly had to move into an area of rehabilitation. Rehabilitation was not being delivered, whatsoever, when the Leader of the Opposition was a member of the government. Was he concerned about injured workers at that time?

**SOME HONOURABLE MEMBERS:** No!

**SOME HONOURABLE MEMBERS:** Yes!

**HON. H. HARAPIAK:** No. The only concern he had was the "bottom line" and the bottom line is still his only concern at this time.

**A MEMBER:** That's right.

**MR. G. FILMON:** Madam Speaker, three times in the Schreyer years the rates of Workers Compensation were reduced, so if that's his condemnation . . .

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** . . . then it's a condemnation of the Schreyer administration.

Madam Speaker, I ask the Minister, he has been told that claims are being settled for injuries which cannot be reasonably attributed to the compensable incident. What action is the Minister going to take to correct that serious, serious criticism of the Board?

**HON. H. HARAPIAK:** Madam Speaker, the Leader of the Opposition refers to the three years in the Schreyer administration when there was also a reduction of rates of assessments, and those were the years when there was accumulation of dollars so there wasn't any need to increase them. But in the years that the Lyon was in, there was a trend that's changed very clearly. The assessments were rising right across Canada. Saskatchewan's rate was \$2.40 at the time that ours was 88 cent and reducing.

That is the main reason that we are in trouble nowadays. We have to admit that we also, in the first year we formed government in 1981 - it was the end of the year, in November, and we didn't have the time to be doing an assessment of what should be done in the area of assessment because the industry did need to know what rate the assessment would be set at for that year. So that is why we, as well, made the mistake of reducing the assessment when it should have been increasing.

**MR. G. FILMON:** Madam Speaker, it is incredible that the Minister is not willing to take any action on a serious criticism of awards being made for which there is no compensable incident.

#### **Workers Compensation Board - estimate of unwarranted costs**

**MADAM SPEAKER:** Does the honourable member have a question?

**MR. G. FILMON:** Yes. My further question is that the Cormack Report also states that the board practices, "inflate permanent partial disability awards."

What efforts have been made to estimate the unwarranted costs that employers have borne as a result of that particular inappropriate action of the board?

**HON. H. HARAPIAK:** Madam Speaker, Mr. Cormack was asked to do a report on the workings of the Workers Compensation. He has put forward one opinion of what is going on. Many of those statements he has made and the recommendations have not been substantiated.

The review committee which was made up of people who have had many years of experience in handling the Workers Compensation, Brian King, the chairperson of the review committee, was an injured worker. He was also the chairperson of the Saskatchewan Workers Compensation system. Mr. Tom Farrell was a representative of the industry. He brought that perspective to the review committee. He is the person in charge of International Nickel, one of the biggest

industries in Manitoba, of their Workers Compensation system, and Lisa Donner who is the labour rep. Their combined years of experience showed that they did not agree. They had a diametrical opposed view to what the Cormack Report is.

So the Leader of the Opposition should be concentrating on the review committees, as well, and placing a little bit of emphasis on what their recommendations are, rather than trying to place all the history that he wants to be playing with in the hands of Mr. Craig Cormack.

#### **Cormack Report - tabling of**

**MR. G. FILMON:** Madam Speaker, the Minister could clear that all up by making the report public. The Cormack Report further states that the board's medical officers are reluctant to declare a worker fit to return to work despite the lack of objective findings. The Minister has had this report for quite some time. The board has had this report since April. What is going to be done about that?

**HON. H. HARAPIAK:** Madam Speaker, I have said, on many occasions in the past, the Cormack Report was an internal report. I have read a copy of the draft report that was put forward. They have not come back with the final report and we'll be dealing with it when the final report is brought forward.

#### **Workers Compensation Board - awarding of lump sum to set up business**

**MR. G. FILMON:** I wonder if the Minister can indicate whether or not the policy of the Workers Compensation Board allows the board to award a lump sum payment to an injured worker on rehabilitation for the purpose of setting up a business enterprise.

**HON. H. HARAPIAK:** It is my understanding that ability is there for the Board of Commissioners to make a decision to award such an award.

#### **Workers Compensation Board - number of awards to start up businesses**

**MR. G. FILMON:** How often has this been done, where the board has made a lump sum award to an injured worker to allow them to start up a business and go into business?

**HON. H. HARAPIAK:** Madam Speaker, I'll have to take that question as notice.

#### **Workers Compensation Board - is award to start up business within the act**

**MR. G. FILMON:** Madam Speaker, that policy of awarding lump sum payments to injured workers to finance a business enterprise, establish a business enterprise, is that within the act? Is that allowable within the act?

**HON. H. HARAPIAK:** Madam Speaker, yes, it is within the act.

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**MR. G. FILMON:** Madam Speaker, when the decision is made by the board to award the lump sum payment for the purposes of establishment of a business, does the board require a business plan in order to make that decision so that they have some idea of whether or not the applicant has any prospect of succeeding in that business enterprise?

**HON. H. HARAPIAK:** Yes, there would be a fine brought forward and they would continue working with the person who was in charge of the case and they would continue monitoring.

### **Workers Compensation Board - assessment of business opportunity**

**MR. G. FILMON:** Madam Speaker, my question for the Minister is: Who assesses the business opportunity to see whether or not it has a reasonable chance of success.

**HON. H. HARAPIAK:** Madam Speaker, I hear some comments been thrown across about the Evergreen Lodge, which is a business created recently in The Pas because of an injured worker, and I was not a part of that decision-making to approve it.

**MR. G. FILMON:** I would like the Minister to address the question of who makes the assessment of whether or not the business has a reasonable prospect of succeeding.

**HON. H. HARAPIAK:** They would be consulting with the people who are involved in the business community, and there would be consultation carried on with any of the existing businesses that go on now.

**MR. G. FILMON:** Madam Speaker, is the Minister saying it's just an ad hoc basis, that they go around and ask a few people in the business to see whether or not it looks good? Do they not make an assessment of the individual's capability to successfully run that business?

**HON. H. HARAPIAK:** Madam Speaker, I am sure that the Leader of the Opposition realizes that we are in Estimates this afternoon. We will have staff there and, if he wants some of those detailed answers, he will have an opportunity to answer those questions this afternoon.

### **Workers Compensation Board - public inquiry**

**MR. G. FILMON:** Madam Speaker, my question is to the Premier.

We have a Minister who consistently, for the last two Sessions in Estimates, has been unable to answer questions on the Workers Compensation and can't or won't answer questions today on the Workers Compensation Board on major areas of concern. We have a board whose incompetence has been detailed in the Wiebe Report, in the King Report, in the Cormack Report and, Madam Speaker, we have a board that is out of control in terms of a \$184 million deficit.

Will the Premier call a full public inquiry now so that we can get to the bottom of all the problems at the Workers Compensation Board and correct them?

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

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, the last report that I had was that the Minister responsible for the Workers Compensation was handling the questions and the providing of information extremely well right now during a public inquiry, namely, the Estimates process of the Province of Manitoba.

Madam Speaker, I know that honourable members

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

### **Future health reform measures**

**MADAM SPEAKER:** The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker. My question is for the Minister of Health.

In the Budget Address, the Minister of Finance stated: "Services for people must be protected." He further stated, "his government is committed to quality health care for all."

Given that this government, this NDP Government, is forcing hospitals to take drastic measures, such as closing beds, reducing staff and reducing services to Manitobans before alternative services are in place in the community, what other well-thought-out health reform measures does this Minister propose for the future?

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, I might say that, yes, we are very proud of our health care here in Manitoba. We feel that we probably have one of the best, if not the best, in Canada and in the world.

The point is that we want to keep it and we want to be practical and, therefore, there is only one way, is not wait until we're in trouble and we've lost everything. We must anticipate, we must make some changes. And we are convinced that these changes can be made, and this is something that is done in every single province in the Dominion. This is something that the Federal Minister of Health approves and agrees with.

The situation is that we can probably improve the health of our people by changing the system a bit, the delivery of the system, not having every consumer think that the best thing to do is go to the hospital immediately. We are doing that, and we are doing that to the best of our ability.

We haven't cut down. Things we are spending now, the budget is approximately \$1.2 billion. And if we do nothing more than we're doing now, well then it would be \$2 billion and, if we do half of 1 percent, or what my honourable friend wants us to do, it probably would be \$3 billion next year, and we can't afford that.

We hear from the critic on Finance that we have to be very careful on deficit, and we are saying to the hospitals - is there anybody there strong enough or brave enough to stand up and say, no, you should have a deficit in the hospitals, I'd like to hear that. Is that what you want, a deficit in the hospitals?

### **St. Boniface Hospital cutback in services - Minister's approval of**

**MRS. B. MITCHELSON:** Madam Speaker, given that the news release from the St. Boniface Hospital today says: "Some services will be reduced," and given that today St. Boniface has proposed to close permanently 38 beds and cut 66 staff, when will the Minister be announcing his approval for these cutbacks in services?

**HON. L. DESJARDINS:** My honourable friend, Madam Speaker, is so anxious to have something to squawk about she can hardly wait. She wants us to approve a program that we haven't looked at yet. This is something that has been submitted by a hospital who has worked hard to try to bring changes, and there will be changes. You have a choice. Either help to retain the health care that we have in Manitoba or be as irresponsible as you are now, all of you. Be irresponsible and then you're going to lose the whole thing. This has not been approved by the commission, they received that today. I know you're anxious and I would love nothing better to be able to tell you how many beds -(Interjection)- I'll need a mirror here, I can't look at her at the same time.

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

Perhaps it might help if the Honourable Minister addressed his remarks through the Chair.

The Honourable Member for River East.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker.

Well, the Minister says he's maintaining and St. Boniface Hospital says some services will be reduced, so I wonder who's giving us the full and factual information.

### **Closure of beds - proposals for permanent cutbacks**

**MRS. B. MITCHELSON:** Madam Speaker, my question to the Minister of Health is: What other proposals are currently before this Minister for permanent hospital bed cutbacks?

**HON. L. DESJARDINS:** Madam Speaker, there is no doubt in the world that some services will be discontinued, but you forget to add all the new services. Nobody's talking about CAT scans, nobody's talking about this new equipment that you have and, if we are exactly - I thank you for helping me make the point, that we cannot keep all the old and bring in all kinds of new systems. We cannot afford it with a million people here in Manitoba, and that's exactly what we've got to do. Like all these people that say they would so terrific at running businesses, that's what you would do where you would go bankrupt so damn fast.

**MADAM SPEAKER:** The Honourable Member for River East with a final supplementary.

**MRS. B. MITCHELSON:** Thank you, Madam Speaker, with a final supplementary to the Minister of Health.

Is this Minister holding back these decisions until the Session is over in an attempt to hide cutbacks in hospital beds and reduced services to Manitobans?

**MADAM SPEAKER:** Order please, order please. That question imputes motives.

**HON. L. DESJARDINS:** Madam Speaker . . .

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

I ruled the honourable member's question out of order. Would you care to rephrase your question please?

### **Closure of beds - when to be announced**

**MRS. B. MITCHELSON:** Thank you, Madam Speaker.

Will the decisions on these hospital bed cutbacks be announced after the Session is over so that the people of Manitoba will know what hospital beds will be cut back, what decreases in services there will be to Manitobans?

**HON. L. DESJARDINS:** Madam Speaker, you're bound to get it right if you keep saying, will it be announced after, before and during. It'll be during one of those. Madam Speaker, these are the great managers.

**MR. D. ORCHARD:** . . . laughing about cutbacks.

**HON. L. DESJARDINS:** No, laughing at you, the great managers who tell us they could run a business, that we're all dummies on this side. The commission received a proposal today and we're supposed to announce it now. That would be very responsible, that would be something you would do, wouldn't it?

We will announce it when we're ready. If it's during the Session, so much the better; if it's after the Session, it'll be announced loud and clear. In fact, I'll phone you first to make sure that you find out first of all. I know you're anxious.

### **Bill 61 - committee to review**

**MADAM SPEAKER:** The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, my question is directed to the First Minister.

In view of the fact that Bill 61 being ramrodded through by the Minister of Labour has driven a rather serious wedge in the labour movement and in labour relations in this province; and given that that wedge extends all the way to the NDP caucus and the NDP party; and given the fact that reports have been made that a committee has been set up to review Bill 61, would the First Minister tell us about that committee, who's on it, what kind of a committee it is, when it will report?

**MADAM SPEAKER:** Would the honourable member please clarify whether he's talking about a government committee?

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The Honourable Member for Brandon West.

**MR. J. McCRAE:** Madam Speaker, the reports have been that it's a caucus committee of three - a Cabinet committee, I'm sorry, a Cabinet committee of three.

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

**HON. A. MACKLING:** Madam Speaker, the honourable member asked a like question before committee and I will provide the same answer. In our caucus, members of all our caucus deal with legislation, and Bill 61 is dealt with by all our caucus.

**MR. J. McCRAE:** So in other words, Madam Speaker, the Winnipeg Free Press has got it wrong again.

### Bill 61 - review of bill re usefulness

**MADAM SPEAKER:** The honourable member with a question.

**MR. J. McCRAE:** In view of the fact, Madam Speaker, that there are serious divisions in the NDP caucus on Bill 61, would the First Minister reconsider the matter and perhaps set up some kind of mechanism to review the usefulness of proceeding with Bill 61?

**HON. A. MACKLING:** Madam Speaker, as usual, the assumption that the honourable member makes in his question is wrong. This government and this caucus work with care and concern for the people of Manitoba. We advance legislation which we believe is in the best interests of the people of Manitoba. We believe that the people of Manitoba want to see a government that is prepared to innovate, to find reasonable ways in which labour relations matters can be settled without strike or strife. Despite the pessimism of the honourable member, we will proceed with that legislation.

**MR. J. McCRAE:** Will the First Minister meet with the Minister of Finance and others in the NDP caucus who have genuine concerns about Bill 61 and include others in the NDP caucus who are upset about Bill 61 to see that this major intrusion on free collective bargaining in this province is removed?

**MADAM SPEAKER:** The Honourable First Minister.

**HON. H. PAWLEY:** Madam Speaker, unfortunately, the Member for Brandon lives in his usual fantasyland. The Minister of Finance is neither upset nor concerned.

**MR. J. McCRAE:** Let's hear from him.

**HON. H. PAWLEY:** If the honourable members wants to imagine and create fiction, he's certainly entitled to do so, but we give that about as much credibility as it's worth.

### Community hospitals - adequate staffing of wards

**MADAM SPEAKER:** The Honourable Member for Kildonan.

**MR. M. DOLIN:** Thank you, Madam Speaker. My question is to the Minister of Health.

There have been some concerns expressed by community hospitals regarding the ability to retain emergency ward and house staff physicians, and a lot of this seems to have to do with the remuneration these people receive. I'm wondering if the Minister is giving consideration to this and if any action can be taken to ensure that the wards in the hospitals are staffed properly.

**MADAM SPEAKER:** The Honourable Minister of Health.

**HON. L. DESJARDINS:** Madam Speaker, I seem to anticipate my friend's questions. I would like to say, Madam Speaker, that the Cabinet has approved a revised salary range for hospital emergency and house coverage physicians this morning, and the revised remuneration rate will provide an orderly equivalency to the same salary negotiated with the medical officer presently employed by the Provincial Government. At this time, the Manitoba Health Services Commission was discussing the implementation at the various community hospitals. My friends are talking about cutbacks. I say that this will be an addition of over .5 million to the Treasury of this province.

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

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

If honourable members want to have a private conversation, they can do so elsewhere.

### MHSC - budget adjustments to reflect increases

**MADAM SPEAKER:** The Honourable Member for Kildonan.

**MR. M. DOLIN:** A supplementary, Madam Speaker. Since the Minister has already announced that hospital deficits will not be funded, I'm wondering will MHSC be ensuring the hospitals that budgets will be adjusted to reflect these increases.

### Cancer Foundation - tabling of audit report

**HON. L. DESJARDINS:** Yes, Madam Speaker, and while I'm on my feet I'd like to answer a question from the Honourable Member for Gladstone yesterday, who asked about an audited report with the Cancer Foundation. It wasn't an audited report, it was a review that was brought about by the appeal which is repeatedly done and, no, this is an internal document and we don't intend to start releasing those.

### Chmn of Municipal Board - within mandate to speak at NDP meetings

**MADAM SPEAKER:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Madam Speaker, my question is to the Minister of Municipal Affairs.

An Order-in-Council of June 10 appointed one Andrué Anstett as Chairman of the Municipal Board, at a salary of over \$59,000, I might add. On June 15 that same Andy Anstett, was the guest speaker at the founding meeting of the Lisgar-Marquette NDP Association, as reported in the Carberry News Express and the Glenboro Gazette.

Can the Minister tell us if it is within the mandate of the Chairman of the Municipal Board to attend and speak at NDP meetings?

**MADAM SPEAKER:** The Honourable Minister of Municipal Affairs.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker.

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

**MADAM SPEAKER:** Order please.  
The Honourable Minister.

**HON. J. BUCKLASCHUK:** Thank you, Madam Speaker. I was not aware of that specific speaking engagement, but I was aware that Mr. Anstett had taken one or two engagements prior to his appointment and he fulfilled it. There is no reason why Mr. Anstett, as a citizen of Manitoba, can't speak in a time when he's not officially working for the Province of Manitoba.- (Interjection)-

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

### **Chmn of Municipal Board - refuse participation in political gatherings**

**MADAM SPEAKER:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Madam Speaker, to the same Minister.

Will the Minister request that this newly appointed chairman, Mr. Andy Ansett, not take part in any more political gatherings?

**HON. J. BUCKLASCHUK:** I do not believe that is within my jurisdiction to dictate to Mr. Ansett what he can or cannot do after normal working hours.

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Thank you, Madam Speaker. I have one question for the Minister of Municipal Affairs.

In view of the fact of the history of this province, the Chairman of the Municipal Board has been a non-political person, Madam Speaker - non-political decisions are made on behalf of the people of Manitoba - will this Minister instruct the Chairman of the Municipal Board not to be involved in any further political activity and, if he does, ask for his resignation?

**MADAM SPEAKER:** That question is the same or substantially the same as the previous question.

### **Awasis Agency - request independent investigation re child abuse**

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

**MR. G. MERCIER:** Thank you, Madam Speaker. I have a question for the Minister of Community Services.

With respect to the alleged abuse of a 10-month old Native girl who suffered brain damage after being placed in a foster home by the Awasis Agency, would the Minister request an independent examination and investigation by the Chief Medical Examiner of the province as to what occurred and the role of the Awasis Agency in that matter?

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

**HON. M. SMITH:** Madam Speaker, the moment the child was brought down to Winnipeg, the Child Protection Centre in fact did contact the Chief Medical Examiner and, in line with our agreed-on reporting principles, he immediately called us. We called Awasis to double-check both on the past situation and to see whether there was any immediate action that should be taken. We did find there were other foster children in the home, and Awasis satisfied us by immediately removing those children.

As I understand it, according to the process that we have all agreed on, the investigation of the situation there will be conducted by the police and we will be doing a review of the role of Awasis in the situation, and the Chief Medical Examiner will be giving us an in-depth analysis of the child's condition. Although thankfully the child has not died, it does look as though the child will have sustained permanent damage.

**MR. G. MERCIER:** Well, Madam Speaker, the Minister and her department have chosen to take over the Northwest Child and Family Services as a result of concerns over the operation of that agency.

In view of the serious concerns over a recent incident involving the Awasis Agency and a 14-year old girl known as Amy in the report tabled yesterday, and this incident and questions that have been raised about its activities for some time, is the Minister prepared to assume direction and control of the Awasis Agency until its activities are thoroughly investigated and she is satisfied that they are acting in the best interests of the children under their care?

**HON. M. SMITH:** Madam Speaker, our initial investigation in this instance has not revealed any record of abuse by the foster family. There was no evident way of predicting difficulty in that family unit. That's our preliminary information.

We have, in fact, a meeting with Awasis. We have been having meetings with them where we are asking for their plans to remedy this situation. We are in contact, and we have been repeatedly, with the federal parties to the tripart arrangement because, in our opinion and that of Awasis, that particular agency has been seriously underresourced for over a year and, without some attention being paid to the resourcing, the ability of Awasis to deal with some of these problems is circumscribed. But we will be very much on top of the situation, Madam Speaker.

### **Child abuse, 14-year-old girl - report re investigation of**

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

**MR. G. MERCIER:** Madam Speaker, some months ago I had asked the Minister questions concerning the fourteen-year-old girl about allegations that the agency was not reporting child abuse cases. I see no mention of that in the report she tabled in the House yesterday. Could she advise the House whether that matter was investigated or is still under investigation or will be investigated in the future?

**HON. M. SMITH:** Madam Speaker, we have a format for reporting. They are in fact reporting cases. We have not had any report from anyone else that they are failing to report particular cases. If the honourable member is referring to the particular situation with regard to the girl, as he well knows, the police are investigating that situation, and the fact that they are investigating does not mean that we have not had the situation reported.

But again, we are taking the issue very seriously and will be keeping on top of Awasis' handling of the abuse cases, as indeed we will continue to work with all of the agencies in Manitoba to see that reporting and fair, appropriate treatment in child abuse cases is taken.

### **Awasis Agency and Northwest Child and Family Service Agency - difference re treatment**

**MADAM SPEAKER:** The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker. A question to the Minister of Community Services.

The Minister of Community Services just a few moments ago complained about the fact that the Awasis Agency was underresourced and saw no reason therefore for her to take over control of that particular agency. Yet the Northwest Child and Family Service Agency has been underresourced for over a year and, in December, asked for an additional 25 staff. Can the Minister explain the difference between these two agencies and why they get different treatment from this Minister?

**HON. M. SMITH:** Madam Speaker, the question of resources is one that is going to be with us for a long time to come because no agency has the full resources that they feel they could make good use of. However, the degree of resourcing by the two agencies is really quite - already Northwest is well ahead in the standard of resourcing relative to Awasis. We have acknowledged that the resource issue is one of the potential difficulties. We have been increasing resources disproportionately favouring Northwest, but what we haven't had are the precise measures to know by how much they require additional resources. But we are working closely with them, indeed with the association of all the agencies to come closer to that determination. But in this case,

the level of resourcing for Awasis is considerably below that of Northwest.

**MRS. S. CARSTAIRS:** A supplementary question to the same Minister.

Can the Minister tell the House if the reason why one agency is treated differently is because the executive director of Northwest Child and Family went public and complained about the lack of resources and Awasis has been relatively silent?

**MADAM SPEAKER:** Order please.

A question should not suggest its own answer. Would the honourable member care to rephrase?

The Honourable Member for River Heights.

**MRS. S. CARSTAIRS:** Thank you, Madam Speaker.

Would the Minister explain, if you complain to her department about staffing levels at your agency, you in fact feel the weight of her department, but you don't if you don't complain.

**HON. M. SMITH:** Madam Speaker, two clarifications: the Awasis Agency is under a tripart arrangement and is funded by the Federal Government. With regard to Northwest, as I said to them the other night and as I've said to all groups who are out there providing services to people, I expect them to advocate and advocate publicly for the needs of their clients, and I would never take that particular action or opinion on their part as any grounds for taking actions. In fact our concerns were centered around the delivery of service and the management of the agency.

**MADAM SPEAKER:** The time for Oral Questions has expired.

The Honourable Member for Arthur.

**MR. J. DOWNEY:** Yes, Madam Speaker, I wonder if I could have an opportunity to deal with a matter of House Business? Madam Speaker, the Government House Leader indicated that it was all right.

**MADAM SPEAKER:** Is that agreed? (Agreed)

### **HOUSE BUSINESS**

**MADAM SPEAKER:** The Honourable Member for Arthur.

**MR. J. DOWNEY:** Madam Speaker, the Government House Leader some time ago indicated that he would like the information or would like the names of minutes - or minutes that would be available for Communities Economic Development Fund. I've written him a letter which I'm providing him with today of information needed, so we could carry on with the Communities Economic Development Fund Estimates to complete them.

I also have some other copies for the media and for the House.

### **HANSARD CORRECTION**

**MADAM SPEAKER:** The Honourable Member for Gladstone.

**MRS. C. OLESON:** Thank you, Madam Speaker. I'd like to make a Hansard correction on page 3387, in the third paragraph, where it says: "Division of Unemployment Insurance," it should say "Division of Employment Services."

## ORDERS OF THE DAY HOUSE BUSINESS

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

**HON. J. COWAN:** Thank you, Madam Speaker. It's my understanding there will be Private Members' Hour today.

In the meanwhile, Madam Speaker, I move, seconded by the Minister of Agriculture, that Madam 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 and 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 Burrows in the Chair for the Department of Civil Service and Northern Affairs; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Government Services.

## CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES

**MR. CHAIRMAN, C. Baker:** Committee please come to order.

The Member for Portage la Prairie.

**MR. E. CONNERY:** Has the government or the King Report - I didn't see it in there - any kind of numbers of the extra number of people who would come before the Workers Compensation because of the recommendations, the increased numbers of applications?

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

**HON. H. HARAPIAK:** No, we do not have any figures on how many additional people will be coming forward for claims because of recommendations through the review committee's report. I have said that we don't have the figures for the financial implications either. We will be doing an analysis on it and, when we have completed it, we will be acting on all the recommendations at one time.

**MR. E. CONNERY:** You know, the Minister has told us on numerous occasions that it's cost-negative. I say again, if you're going to make a statement along that line, there needs to be some back-up material to allow you to make that sort of statement. It's unfortunate when we see Ministers making statements when they don't have the background information to back up that statement.

**HON. H. HARAPIAK:** I have never made the statement that it would be cost-negative. I said it would be cost-

neutral, based on the years of experience of the chairman of the review committee and the years of experience, the industry representative, Mr. Farrell, had and Lisa Donner. Based on that collective 42 years of experience, they said it would be cost-neutral. They did not do a financial analysis on it themselves, but that was their best guess they could make that it would be cost-neutral. But once we've had an opportunity to do an assessment of the entire report, then we will have our own opinion if it was cost-neutral or if there is going to be some cost instituted in the report.

**MR. E. CONNERY:** The Minister's right, and I erred in saying negative. Neutral was the figure, but neutral means no cost either way, so I still have some concerns.

In one of the reports put out by the Manitoba Employer's Task Force on Workers Compensation, there's one section and I'll quote it, it says: "In addition, two-thirds of the Workplace Safety and Health Division budget is paid out of employers' assessments through the WCB, as well as 100 percent funding to the Worker Advisor Program."

Can the Minister tell us what amount of money is paid to Workplace Safety and Health?

**HON. H. HARAPIAK:** The cost for 1986 for The Workplace Safety and Health Act is \$1,793,189 and, for the worker advisors, it's \$377,969.00.

**MR. E. CONNERY:** How many worker advisors are there?

**HON. H. HARAPIAK:** That does not come under our responsibility. It comes under the responsibility of the Workplace Safety and Health Minister.

**MR. E. CONNERY:** I must say I've had the opportunity to work with a worker advisor, and I found the person very, very good in their job but also very frustrated with what was happening at the board. As I said to the Minister the other day, this one particular case that's going on two years and hasn't got to the - or if it has got to the first review, that would be about it.

So like I have some experience with what is happening at Workers Compensation, and I'm not pleased. If we have an advisor group, they should be able to work more effectively with the WCB. I have a feeling that the same problems that the King Report people had in obtaining information from Workers Comp, that this same particular group is having difficulty with Workers Comp. Of course, the King Report said there was conflict between groups at Workers Comp.

So I've never read anything that's quite so damning to a government, a group that's so poorly run, the internal problems that they've got. So something needs to be changed there and something very drastic needs to happen at the Workers Compensation Board.

**HON. H. HARAPIAK:** It's unfortunate that the Member for Portage la Prairie doesn't look at all of the comments of the review committee. They also acknowledge that there has been a great amount of improvement made in the Workers Compensation system since 1981. And yes, there is going to be, within any organization, some friction, and I would hope that they can work more to the development of a team.

We feel that there is a team concept there. Maybe there needs to be some improvement, but I don't think we should be condemning the whole Workers Compensation system and saying that no part of it is working at all. We feel that there has been a great improvement, and we recognize that some additional improvement needs to be done in some areas. That is being addressed by the review committee report, and we will be looking at the entire report and seeing

Plus, that's one of the building blocks, but there are other processes going on. The Cormack Report, for one, is a report that was asked for by the Board of Commissioners, hoping that they could come up with some recommendation on how the system can be improved. They will be coming up with recommendations from that report, as well as the University of Manitoba report. There are several reports that the Board of Commissioners has asked for to make improvements within our system. We will be using all of those as building blocks when we are looking at further reform of the entire Workers Compensation system.

**MR. E. CONNERY:** Will the Cormack Report be made available to the employers' group?

**HON. H. HARAPIAK:** The Cormack Report was asked for by the Board of Commissioners. It is an internal report and the Board of Commissioners will do with it what they want.

**MR. E. CONNERY:** Mr. Chairman, I have some extreme difficulties with this whole program.

The Workers Compensation Board is paid for out of an assesment to employers, based on the various categories they're in. Since the employers are paying the total amount, although we know that in many cases that is passed on to the consumer and to employees in the province and so some of the mismanagement is passed on to the people in Manitoba, but you're just really doing the program for the workers and for the employers. I think both groups, both workers and employers, should be able to see what the program is for, because the employers are funding it and there's a good reason for that. But also, we're concerned about what the workers get, because that's what the program is all about.

Why wouldn't both sides be privy to that information that's within the various studies that you've done so that they can make objective recommendations to the government? Is the government so ashamed of what they're doing that they don't want to make some of these reports public? And if you're not ashamed, then you should be able to make them public to the workers and the employers, and then be able to sit down with them and develop a program for them both.

**HON. H. HARAPIAK:** I have had the opportunity of meeting with both workers' representatives and industry representatives, and they have shared that they would like a greater input, more openness about the system so they have greater participation in what is going on. I think that's a reasonable request. I believe that was carried out in Saskatchewan under the previous New

Democratic Government. They opened up the books and they let industry see exactly what was in store for them, and what was needed in order to make Workers Compensation a viable operation.

They, at that time, recognized that the rates needed to be increased and they did increase them at a time when Manitoba was decreasing their rates. Because of that wisdom they exercised at that time, Saskatchewan is now in the position where they've got one of the few Workers Compensation systems that doesn't have an unfunded liability. They may have a small unfunded liability but, in previous years, they were on fairly solid footing.

So I think that it was because of the contribution made by industry, and they have a review which is carried out every four years where there is representation by industry and labour, and they make suggestions with an impartial chair. Then they meet and make suggestions as to how there can be improvements made in the Workers Compensation. I think that's something that I would like to see implemented in Manitoba, where they would have a review every four years. We wouldn't have to wait another 30 years before the next review is carried out.

**MR. E. CONNERY:** The review should be, what I would call, tripartite between government, workers, and employers so that everybody would have an input. The employers and the workers are affected more so than government. The Minister says that any part of the deficit will not be picked up by the government. It's going to be paid for by the employers and then eventually the people of Manitoba. So the waste and the mismanagement of money is really the responsibility of the employers and the people of Manitoba. That raises some deep concerns that I have, you know, that the employers and the workers aren't given access to that vital information.

**HON. H. HARAPIAK:** You obviously weren't listening to what I answered. I said that I met with the employers' group and they wanted a greater input. I said to you that the concept that's followed in Saskatchewan where they have an independent chair and representation from industry and labour, and they have a review of the Workers Compensation system, which is done every four years, is an idea that I'd like to see followed in Manitoba.

**MR. E. CONNERY:** Has the Minister read the report of the Employers' Task Force on Workers Compensation? Have you reviewed that report?

**HON. H. HARAPIAK:** Yes, I read that when I first became Minister of the Workers Compensation system.

**MR. E. CONNERY:** Do you see an awful lot of that report in the King Report with recommendations that would be somewhat similar to what the employers have requested?

**HON. H. HARAPIAK:** As in every other presentation that was made to the review committee, some suggestions had merit. Some suggestions need to have further study before they could be implemented. But

I think that some of the recommendations made by the employers' task force were included in this review committee report. Very clearly, you had a very strong representative from the employers' groups representing industry, Mr. Tom Farrell, who would have made sure that some of the needs or interests of industry would have been included in that report.

**MR. E. CONNERY:** Of course, they had to be in the form of minority reports, and the Minister said yesterday there were only four minority reports. In fact, there are 15 recommendations that are of a minority nature, and the bulk of them being from Mr. Farrell. So, obviously, the input from the workers' task force was not accepted by Ms. Donner and King. We see the majority of the minority report coming from Mr. Farrell who is representing industry. Obviously, already within that report, there is a little bit of bias maybe against the employers' position.

**HON. H. HARAPIAK:** I am not sure where the Member for Portage gets his information from, but I guess you can glean out whatever you can from a report. Mr. Farrell was present the day we tabled that report. Mr. Farrell and Lisa Donner and Brian King, the chairperson, told me there were 178 recommendations and there was agreement on 174 of them. There were minority positions on four of the recommendations.

**MR. E. CONNERY:** In the King Report - and, of course, we're not discussing the recommendations, we're discussing some of the actual things that are happening at the board now - it says that rehabilitation may be provided.

Is that a change the Minister would look at making so that it would be "shall," that rehabilitation would be a benefit that workers are entitled to?

**HON. H. HARAPIAK:** That's an interesting recommendation that will have to be studied before we know how much it'll impact on the entire workings of the Workers Compensation. Once we've had an opportunity to study it, then we will be acting on the entire report. We will not be taking one recommendation and implementing it in isolation from others.

**MR. E. CONNERY:** In the King Report, it recommends a seven-man board, and unless I'm mistaken, there used to be a seven-man board prior to, I think, '82, if I'm not mistaken. The King Report recommends a seven-man board.

What is the Minister's feeling on this?

**HON. H. HARAPIAK:** Again, there are many different structures that are in existence across Canada, and that's a recommendation that the review committee felt it would work to have strong labour representation, strong business representation. It's one of the recommendations, among many, that we will be considering when we are looking at the structure of the board.

**MR. E. CONNERY:** I'd like to discuss the review and the delay in the review. First of all, how many people are in the review? How is that review board structured if you go to the first review?

**HON. H. HARAPIAK:** Are you talking about the second level of appeal?

**MR. E. CONNERY:** Yes, the second level. It's the first review. There has been an adjudicator to start with and, if it's being reviewed, it goes to review.

**HON. H. HARAPIAK:** There are three members on that board, and they are made up of adjudicators with about 25 years of experience.

**MR. E. CONNERY:** How often does the review panel meet?

**HON. H. HARAPIAK:** They are meeting every day. The review panel is meeting on a daily basis.

**MR. E. CONNERY:** How many cases will they then proceed through in a day? Do they meet the whole day or part of the day, and how many do they do in a week?

**HON. H. HARAPIAK:** In a year, they will be - like during '86, it's 596 cases. In 1985, there were 561 cases.

**MR. E. CONNERY:** On the basis of how many working days in a year, somewhere over 200. They are not handling much more than three cases a day, and when we see the backlog and, as I mentioned yesterday, this one individual who was 11th would have a three-month waiting period and had already been waiting for some time.

Can the Minister explain why they're not covering more cases in a day?

**HON. H. HARAPIAK:** I guess there are several factors that come into play here. I guess the first thing the member should be aware of is that, although we realize this is one of the areas where we would like to see improvements made, you should be aware that in B.C. it takes much longer to hear a case. It is up to four years in some cases now before a case is heard. You're talking here about not handling that many cases. We should realize that they're all senior people, and then their holidays are worked into there. So you have to eliminate that from it. Rather than saying there are only three a day, when you take that into consideration, then it improves that figure to a degree as well.

**MR. E. CONNERY:** Do people who are waiting to go to review, do they get any payments?

**HON. H. HARAPIAK:** It depends on the type of appeal it is. If it's an appeal based on termination, then there's no pay, but if it's an appeal based on the calculation of what level of appeal, then the current level of payment would be continued until the appeal is completed.

**MR. E. CONNERY:** Mr. Chairman, if this Minister and this government is so caring - and I don't care what happens in B.C., I don't care what has happened prior in the Lyon and the Schreyer days. We're talking about today, and things change and we try to improve as we go. If a person does get approved, I would imagine they would get back pay for that period of time. But there are a lot of people, and I guess most people in

this country who operate really week by week or month by month and don't have the resources to go through a long waiting period before they go to review. I don't think that it's fair, personally, that this sort of time frame should elapse in the interest of the workers. So I think that this Minister should seriously look at improving the numbers.

Can the Minister tell us how long this backlog has been? Has this backlog been there for 5 years, 10 years?

**HON. H. HARAPIAK:** The Member for Portage said he didn't want to go back but I guess we have to go back. You're asking what's happening in previous years. We should go back to the years of the Tory administration when the claims were not being settled and the people were put on welfare and they were put on unemployment insurance at every possibility there was. They were rejected and claims were taking a heck of a lot longer to settle than the present period. So there has been some improvement.

But we recognize that there has always been a backlog and we are trying to make improvements there. There is some recommendations in the review committee's report on how there can be further improvements to the system to cut down that backlog further.

**MR. E. CONNERY:** I don't recall. Yesterday we asked a question as to how long, what's the average time and what is the longest time it takes to go to the review board once they've been turned down initially.

What is the longest it can take? And I know the King review said up to 21 months, which to me is - well, it has to go through the three processes, but this one individual who I'm speaking of, it's about two years now and he hasn't got or maybe just has gotten to the first review sector.

What I asked previously, all together, each year, how many cases have you had like this and behind? How long is it over the last four, five, six - if you want to go into the Lyon and Schreyer years, that's fine - but has that backlog always been there? Has there always been a long waiting period?

**HON. H. HARAPIAK:** Presently, there is approximately a four-month waiting period from the point of the appeal, from the time it's received until the review committee makes a decision on it. It depends on when the appeal is launched. It is a first come, first serve. There is no way of getting around this. Whenever the appeal is put in, then those that are in previously have to be dealt with first.

**MR. E. CONNERY:** I can appreciate that. If they don't appeal, you can't do anything about it. It's not your prerogative, but obviously that backlog has been there for a long time. I would suggest that the sensitivity to people has not been there for some time. So my suggestion to the Minister, was let's get a little more sensitive to those who are waiting in review of all levels and cut down that time frame.

There will be the odd one but I know, in dealing with one particular case where the doctor hadn't sent in a particularly good enough report, the Workers

Compensation Board didn't follow up to say to the advisor that no, the doctor's report isn't good enough. Not until I got involved did some of these things start to happen. They were waiting and waiting. So the Workers Compensation people did not go back to the advisor and say look, we don't have an adequate report from the doctor, we can't proceed on this basis; we need a more up-to-date and thorough report from the doctor.

Why this delay? The worker who was injured is waiting. I think it's the responsibility of the board to go back and say look, we have some things that are missing, we can't proceed; go to the doctor and say we need this. I think that's one of the concerns that the King report identified is that some of the doctors aren't replying adequately, they aren't replying thoroughly. I think we need to have some adjudication there to make sure that doctors do reply thoroughly and quickly. I know one of the complaints is that these doctors will take up to two or three weeks or longer to send in their report. I think there needs to be some agreement with the physicians and surgeons to make sure that these reports are in in a reasonable period of time.

**HON. H. HARAPIAK:** From my experience with the worker advisors, they don't need to be encouraged by anyone that they require more information for a case. They have had enough experience now. The worker advisors I've worked with, they always know when the case is heard that there is a lack of information, so they go after that very aggressively. I don't think that the worker advisors need any advice from the Board of Commissioners telling them you'd better go and get some more information from the doctors. I think that they are very well equipped.

Also, it depends on the complexity of the cases and that some additional investigation has to be done, and it also requires some help from doctors who are outside of the responsibility of the Workers Compensation, that the patients' own doctors quite often are the ones who do not have sufficient information.

So I'm not sure how you would go about a complex issue of that sort by telling the medical profession, look, you'd better give us a little more information when you're dealing with Workers Compensation cases. I think that anyone who has had any amount of dealing with the Workers Compensation knows what is required of the forms. The forms are quite explicit. So the doctor, just in applying some common sense, would notice how much information is required.

**MR. E. CONNERY:** Okay. We can argue that one for a long time.

Mr. Chairman, in 1985, the former Minister in charge of Workers Compensation said that it would break even in 1992. This Minister says it will break even in 1989.

Can he tell me what different figures the previous Minister used and what his rationale was, compared to what you're using now to break even in '89?

**HON. H. HARAPIAK:** I am not sure where the Member for Portage gets his information, but the previous Minister said that they would break even by 1989, and that's the same information that I'm using. I said we

would still break even in 1989 in our operating budget, but we would break even on our unfunded liability as well by 1999.

**MR. E. CONNERY:** If somebody would look - and I think it was in 1985 Hansard, page 2026 - we could then see what that Minister said. I don't think I'm in error. I wrote it down that this - I was wondering, there must be some different projections, or was that Minister, as usual, picking something out of the air that sounded good and didn't have anything factual to back up that statement?

**HON. H. HARAPIAK:** That Minister, to the best of my knowledge, always used the information that was submitted to him by staff. It's the same staff that I've got here with me today. They tell me that he used the figure of 1989, and that's the figure that I'm using as well.

**MR. E. CONNERY:** I want to see just for a minute if I do have the '85 Hansard. If I'm wrong, Mr. Chairman, I'll apologize.

I'm sorry, Mr. Chairman, I can't find the appropriate one, but I will look it up and I'll make sure that one way or the other. Okay, I'll apologize in case I'm wrong. But if I'm right, I'll look for the reverse from the Minister. I'm sorry I can't find it to prove it, but I know that I wouldn't have written that down if I didn't have that figure.

**HON. H. HARAPIAK:** I think I'd like to make one point that's important, that the Member for Portage pay - that those projections are based on computer projections, and they are right as long as the actual results are equal to the assumption used. These are updated annually so there may have been some updating of the figures that were used at that time. But to my knowledge, the previous Minister used the same figure of the break-even of operating, of operating budget as 1989.

**MR. E. CONNERY:** Yesterday, the Minister gave us the names of three Cabinet Ministers who would be reviewing the King Report. There was Cowan, himself. Who was the third person?

**HON. H. HARAPIAK:** Parasiuk.

**MR. E. CONNERY:** Parasiuk.

**HON. H. HARAPIAK:** We're a committee of Cabinet that is charged with the responsibility of it.

**A MEMBER:** That's right.

**MR. E. CONNERY:** It's a committee of Cabinet and the Minister said then that they would - I asked them about the expertise of these three people to do an in-depth review of the King Report, to understand it and to make logical reasons, and he said that, if I am correct - I don't have Hansard in front of me, unfortunately, to be sure exactly what the Minister said. It's unfortunate that Hansard, that we have this time delay, Mr. Minister, because we're both trying to think of what we maybe

said and obviously we can't be totally accurate. But if I can recall what the Minister said was that they'd be using some expert advice, other people, to help them make that decision. Is that correct?

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

**MR. E. CONNERY:** Well then, why would you hire experts to give you a report and then turn around and you have to hire another group of experts to analyze that report? Were the experts that you hired originally in the King Report not competent to be sure of what they're recommending is right, or you now hire a second group to second guess what this King Report brought in?

**HON. H. HARAPIAK:** I think that when the review committee had moved their report or tabled their report, they said that, with regret, they did not have the capacity to do a financial analysis of what their recommendations would mean. So that's why we're going to be needing the assistance of some actuaries or financial expertise to give us that information and what the recommendations will be in costing or else the revenue items. So that's the expertise that we require.

**MR. E. CONNERY:** So the review committee that the Minister tells us of is going to be looking at the financial implications of the 178 recommendations of the King Report, or are they going to be helping with some of the philosophical and political decisions of the King Report because they are both in there.

**HON. H. HARAPIAK:** The review committee report is one of the many building blocks that we will be using in order to come up with our package of reform. There are ongoing reports that are going on at the Workers Compensation level, the Cormack Report which your leader has alluded to on many occasions, the University of Manitoba Report. There are other reports that are going on at the Workers Compensation level, and there are reports that are available to us from other jurisdictions which give us some information on some systems that are working well. I think we will be looking at gleaned out some of the information from these reports and we will be using whatever information is pertinent to our system, so that will be part of the whole review that is going on. The work of the review committee's report will be a part of it, one of the building blocks.

**MR. E. CONNERY:** Well, wouldn't the review committee, in coming up with recommendations, have reviewed naturally what has taken place at the Workers Compensation Board now? Would they not have also reviewed - I look at the King Report, they allude to a lot of different provinces and things, so they have reviewed what is taking place in other provinces, in other jurisdictions, so why would we want to do another study on other jurisdictions as they relate to the King Report when it's already been done?

**HON. H. HARAPIAK:** I'm not sure how I'm missing the point here. I'm telling you that there was no financial analysis done on the report, and that is required before

we move on the recommendations, and there are some additional reports as I've mentioned. Sure, the review committee mentions that they've a copy of the Cormack Report and they disputed the recommendations, they were opposed to the views of the Cormack Report. But we will be looking at that and seeing, if we do implement some parts of the Cormack Report, what costs there will be to the Workers Compensation system. We will look at the whole area of rehabilitation. We have several reports that show it's cost effective, but there will be some changes required in the way the delivery is made to the programs. So as we move on the recommendations that are put forward, we need to have some idea of what the costs will be, so that's why we will be doing the analysis.

**MR. E. CONNERY:** Have the support staff or professional people, whatever, who are going to help the three Ministers, are they in place today?

**HON. H. HARAPIAK:** Partially.

**MR. E. CONNERY:** Are some of those people members of the Workers Compensation Board or who work at the Workers Compensation?

**HON. H. HARAPIAK:** Not at this moment.

**MR. E. CONNERY:** Will there be?

**HON. H. HARAPIAK:** That is being considered.

**MR. E. CONNERY:** You know, I guess our previous leader, Sterling Lyon, when he referred to different things happening with the three Cabinet Ministers and the two of them who are involved with Workers Compensation, the one having been the first one when they took office and really I guess the one to start the Workers Compensation onto its disastrous course, he said it's like leaving the mice in charge of the cheese factory.

How are we going to know that there's going to be something really that's in the best interest of the Workers Compensation, in the best interests of the employers and in the best interest of the workers of this province, when we've had an in-depth study by people appointed with confidence by this government? Now they're saying that they're not sure of what they've done, so they're going to hire a whole bunch more people to study this report and to study the reports of the King Report study.

**HON. H. HARAPIAK:** I think that if you go out and talk to any injured worker in Manitoba - and many of the people who have received services where they previously had been neglected services - they would have a different opinion than you have on what was accomplished by the First Minister when we formed government in 1981. I think he can be proud of the accomplishments that he did bring about with the reform that he did carry out.

If you go out and talk to the people who were previously on the welfare roll, on unemployment insurance and any other social assistance program, because they were denied Workers Compensation

claims, claims that were, in many cases, very clearly suffered on the workplace and, because of the change in direction of the Workers Compensation from the Lyon years to when we formed government in 1981, I think they would have a differing viewpoint than what you have on what has been accomplished through Workers Compensation under the leadership of Mr. Cowan.

**MR. E. CONNERY:** The Minister acknowledged in question period that they are providing money for businesses to injured workers. There was a lot of noise going on in the House and I don't know if I caught everything. How many businesses have you started? How many injured workers have you helped with businesses?

**HON. H. HARAPIAK:** That's a question that I took as notice and it seemed to infuriate the members of the Opposition to a great degree that I would take a question as notice, but I am pleased to say that I already have the information and, yes, there was one case in 1985, none in 1986 and none in 1987.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. G. FILMON:** Yes, Mr. Chairman, that is just the last three years. Was there anything prior to that?

**HON. H. HARAPIAK:** To the best of the staff's recollection, there have been three cases where there has been assistance to date.

**MR. G. FILMON:** Without identifying the people involved, could the Minister indicate the circumstances, the amount of moneys, there was one case in 1985, none in 1986 and none in 1987.

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**HON. H. HARAPIAK:** To the best of the staff's recollection, there have been three cases where there has been assistance to date.

**MR. G. FILMON:** Without identifying the people involved, could the Minister indicate the circumstances, the amount of money invested and the results of the investment?

**HON. H. HARAPIAK:** From staff's recollection, they haven't heard back from them, so they presumed that they are operating because they have not heard the circumstances.

But I should point out to the Leader of the Opposition that this money comes out of their pension fund. So it's money that, as they quite often refer to, it's their money that's being given to them in a lump sum, rather than spread out over many years. I think we're helping people become self-sustaining, sufficient. They have created sufficient funds to look after themselves and I think that's the goal we should have, is to try to make everybody get out and work at whatever they are capable of doing.

**MR. G. FILMON:** The Minister referred to a case earlier today in question period, Evergreen Lodge, which I gather is in The Pas constituency. I wonder if he could tell us about that situation, whether or not the lodge is successfully being operated.

**HON. H. HARAPIAK:** I don't think it's appropriate that we should be discussing specific cases. The Leader of the Opposition can recall just a week ago he was chastised for using a person's name in public without having the authority from that person to use his name. I don't think that I should be conned into any case where I'm obviously discussing specifics. I'll just tell you that was settled before I became Minister responsible for it and I do not have any shares in the lodge, and no relatives of mine are involved in it either. I have never seen the place. Oh, from a distance, I've seen it.

**MR. G. FILMON:** Did the Minister have any involvement in that claim being awarded?

**HON. H. HARAPIAK:** None whatsoever.

**MR. G. FILMON:** When did the Minister become familiar with it?

**HON. H. HARAPIAK:** After I became Minister, there was a rumour going around that I had a share in a lodge that was purchased by an employee, by a person who was - because of a Workers Compensation claim. That's when I made an inquiry, because I wasn't even aware of who had bought it. That's when I made an inquiry. I wasn't getting my dividend.

**MR. G. FILMON:** I certainly wasn't spreading the rumour, I'll tell the Member for Inkster. I just picked it up today in question period when the Minister happened to mention that one. So I'm now trying to find out a little more information about it. The Minister indicates familiarity with it. Is the lodge still operating?

**HON. H. HARAPIAK:** Yes, it is.

**MR. G. FILMON:** Under the ownership of the individual who made the investment from his Workers Compensation funds?

**HON. H. HARAPIAK:** As far as we know, it is operating. It's supposed to be reviewed after a year, but up till now it's still operating as far as we know.

**MR. G. FILMON:** I wonder if the Minister could indicate whether or not the rehab department had recommended that investment?

**HON. H. HARAPIAK:** Rehabilitation was handling the case, and then the case did come to the Board of Commissioners, and the Board of Commissioners made a decision on the recommendation that rehabilitation had been involved in it.

**MR. G. FILMON:** Did the rehabilitation department recommend that investment be made in the lodge?

**HON. H. HARAPIAK:** I think that this would require bringing out the file, and looking at it in greater detail. I don't think that this would be the appropriate way to do it. But I should just mention that there was no lump sum. All there was, was a wage loss, a topping up of his wages. That's all that the person was given, an augmentation of his wages. While he was on rehabilitation, he was making less money than he would have been when he was on his regular job. So all that we're doing is topping up his wages to meet whatever he would have been making in his previous occupation. That's all the board gave him was that additional money.

**MR. G. FILMON:** He was getting his normal Workers Compensation.

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

**MR. G. FILMON:** And he was getting an additional amount as a result of a decision of the board?

**HON. H. HARAPIAK:** I guess we're getting into a lot of detail without having the file and I don't think we should be bringing the file out. But what they were doing is, he was getting his regular pay as an injured worker. Then he went to work, he paid himself a salary in operating the lodge and whatever that amounted to which was less than his regular Workers Compensation. Then he would be paid a difference between what he was making at the lodge and what his Workers Compensation claim was.

**MR. G. FILMON:** Is the same arrangement being made with respect to claim number 7762671?

**HON. H. HARAPIAK:** I have no idea what you're talking about and I don't think - we would have to pull that file and look at it. I don't think we have the authority to be doing that, unless that injured worker would say to us, yes, you have authority to look at my file. Then you would have the same privileges that he would allow us to have.

**MR. G. FILMON:** This was in relationship to a board decision that was made in January of this year, a number of board decisions actually, but the last one in January of this year. I guess I can just indicate to the Minister that I'm troubled by the fact that the board seems to make these decisions on an ad hoc basis, that we're not certain as to whether or not the rehabilitation department has recommended them. I believe, from one of the files that I have seen that, in fact, the board

made the decision contrary to the recommendation of the rehabilitation department and that this whole process of investment in business doesn't seem to be accompanied by a firm and fixed procedure of investigating the viability of the business and investigating the likelihood of somebody making a success of a business venture and utilizing funds out of rehabilitation to do this.

I'm very concerned, like so many of the criticisms that were laid before the board in the Wiebe Report, in the Cormack Report, in the King Report, there aren't proper guidelines, firm procedures and a lot is left to the discretion of the board. It's where all of this discretion occurs that we have problems, and many of these criticisms have to be laid at the fact that they don't have proper procedures, guidelines and policies on these matters, but it's an ad hoc decision-making by the board. Unless the Minister can enlighten me as to what the policies, procedures and guidelines are for these kinds of decisions, I have to say that they're being made on an ad hoc basis and, when they are, that's trouble.

**HON. H. HARAPIAK:** In December of 1984, there was a motion passed by the board and I will just read that motion to the Leader of the Opposition. It says: "In permanent partial disability claims where the clinical rating is 10 percent or less, a lump sum settlement can be provided to a claimant as allowed under section 23(2) of The Workers Compensation Act, upon proper consent from the claimant, provided that the permanent partial disability pension is not being augmented and that in permanent partial disability claims where the clinical rating exceeds 10 percent, a lump-sum settlement can be made upon request from the claimant where the impairment of earning capacity is 10 percent or less, as provided for in section 32(3) of The Workers Compensation Act, and that earning capacity should be determined by the following factors:"

The claimant's employment status is stable - that is the claimant's ability to perform the pre-accident occupation or the alternative rehabilitation occupation; and that the claimant's compensable medical condition is stable with no foreseeable deterioration which would conceivably alter or affect the claimant's employment status or earning capacity; and that the criteria as outlined in both those previously read be determined by the rehabilitation department; and that the authorization for lump-sum settlement under section 32(3) be made by the rehabilitation department; and that prior to authorization of a lump-sum settlement under 23(2) and 23(3), the claimant should be informed in writing that any recurrence of trouble necessitating payment of time-lost benefits would be reduced by the percentage of the permanent impairment and that any potential increase is provided for under section 31 of the Workers Compensation.

The Leader of the Opposition says that there are no studies done. I have made further inquiries from staff as to how the viability is looked at. They tell me that any business start-up is investigated by an outside agency such as the Federal Development Bank, and Business Development also looks into the viability of those cases before there is any decision made.

**MR. G. FILMON:** Does the board ever go against the recommendations of the FBDB or the rehabilitation department?

**HON. H. HARAPIAK:** There have only been three cases come before the Board of Commissioners, and the Board of Commissioners said they have not gone against the recommendations that were put forward to them.

**MR. G. FILMON:** They've never gone against them?

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

**MR. G. FILMON:** Mr. Chairman, will the Minister table the procedure that is followed when the Workers Compensation Board considers making a lump-sum investment in a business?

**HON. H. HARAPIAK:** We can get the procedure that is followed by the board of directors after the decision is made. We can get a copy of that procedure.

**MR. G. FILMON:** We are talking about the whole procedure from the time that a claimant applies to have a lump-sum payment made to allow him to go into business all the way through the investigation, the recommendation, the approvals - so we know how it happens.

**HON. H. HARAPIAK:** What they would have is the procedures or the policies that I just read out to you. The policy is followed and each case is different. There has to be - if we were to go strictly by the act, then there wouldn't be any need for the Workers Compensation Board or the Board of Commissioners to be holding hearings.

Each case has different circumstances, so there would be a different assessment of each case that's come along.

**MR. G. FILMON:** Mr. Chairman, the Minister doesn't understand. The policy says it is allowed under the act. It doesn't say what steps you have to take to demonstrate the viability of the business or the prospective operator of the business, whether or not there's an opportunity to ensure there is a good chance of success, who you have to get the assessment from, and all those things. That, surely, there's a policy on. If there isn't, then we're making the point.

**HON. H. HARAPIAK:** We'll get that information for you.

**MR. G. FILMON:** Mr. Chairman, is the Minister familiar with the Ontario decision, Berger versus Willowdale, AMC et al?

**HON. H. HARAPIAK:** No, I am not.

**MR. G. FILMON:** That decision, as I understand it, resulted from a court challenge in Ontario in 1983 and at that time, I am told, Ontario's legislation was similar to ours regarding employer liability. The legislation guaranteed that a worker or his representative could not take action against the employer. However, because of the wording, the chief executive officer of a particular company was found liable by the Ontario courts.

As I understand it, there might be a potential for a similar claim in Manitoba because our act contains

similar wording. I wonder, in light of that, whether the Minister is contemplating an amendment to the act, as I understand Ontario has made an amendment to the act, to ensure that a senior executive officer would not be liable but in fact would be protected under The Workers Compensation Act.

**HON. H. HARAPIAK:** I am informed that Ontario has a different legislation than Manitoba. They have a Schedule 1 employer who is entitled to sue, and they also have Schedule 2 employers who are not entitled to sue. In our act, our employers are not entitled to sue.

**MR. G. FILMON:** Is the chairperson saying that they have had their legal counsel investigate the decision of Berger versus Willowdale to ensure that such a court challenge could not happen under Manitoba's act?

**HON. H. HARAPIAK:** The Board of Commissioners did not feel it was necessary because we have a different act. Under our act, that option is not there for the employees, whereas in Ontario the Schedule 1 are entitled to sue.

**MR. G. FILMON:** Is the chairperson saying that she has reviewed that Ontario decision with the lawyers for the board, and that there's no possibility that such a challenge could occur?

**HON. H. HARAPIAK:** The Board of Commissioners felt that there was a difference in the Manitoba act compared to the Ontario act and we were adequately protected.

If the Leader of the Opposition feels it would be a good suggestion, then we could have our legal counsel review that particular case and see if, while we are reviewing our legislation, we could be having a look at this to see if it is necessary to review this portion as well because it wasn't touched on in review committee as far as I know. I may have missed it but, as far as I know, that part wasn't touched.

So, maybe it's a good idea to have our counsel review it with the intent of maybe strengthening it.

**MR. G. FILMON:** But it has not been reviewed to your knowledge?

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

**MR. G. FILMON:** Or to the knowledge of the chairperson of the board?

**HON. H. HARAPIAK:** We are a member of the Workers Compensation Association of Canada. Information relating to the Ontario situation can be received from Ken Harding, the Executive Director of the Workers Compensations of Canada.

**MR. G. FILMON:** Mr. Chairman, did we establish that the allegations contained in the Wiebe Report of the violations in the act are in fact still taking place, that is that the act says that injured workers are to be paid 75 percent of the wage when injured, whereas the board continues to allow for increases in the payments . . .

**HON. H. HARAPIAK:** I'm having difficulty hearing you, the Leader of the Opposition. I wonder if you could move that mike a little closer?

**MR. G. FILMON:** Have we established whether or not the board is still in contravention of the act in a number of its policies, one being that the act says that workers are to be paid 75 percent of the wage when injured, and in fact board policy is to allow increases?

**HON. H. HARAPIAK:** I'm wondering if we could have that sound turned up a bit, because we're still having difficulty hearing the Leader of the Opposition. I know you've got a gentle, soothing . . .

**MR. G. FILMON:** Well I know that the Minister's had a difficult time, so I'm trying to be very soothing with him.

**HON. H. HARAPIAK:** It's having that effect, but I would hope that we can hear your voice when you ask the questions.

**MR. DEPUTY CHAIRMAN, D. Scott:** He wants to stay awake to answer the questions too.

**A MEMBER:** Have you thought about an ear specialist?

**MR. G. FILMON:** Eye, ear, nose and throat. I don't want the Minister to have to have a claim for damage to his eardrum.

Mr. Chairman, has the Minister established whether or not the board is indeed in contravention of the act by having established a policy that allows increases to be paid to workers while they remain injured, off the job?

**HON. H. HARAPIAK:** Once again, we're taking the same direction with this particular report, and that wasn't even the report that was asked for by the Board of Commissioners. That was a report that was submitted by the Director of Finance to the Chief Executive Officer, and I don't think that this is the appropriate place to be addressing that.

**MR. G. FILMON:** What is the appropriate place to be addressing that?

**HON. H. HARAPIAK:** The review committee has made an analysis of the workings of the Workers Compensation and they are looking at that. The actuaries and the auditors have looked at our annual report, and they have accepted the annual report that we put forward. So they have quite a lot more experience than what Mr. Wiebe had. To their understanding, the auditors accepted the report that we brought forward in 1986.

**MR. G. FILMON:** Mr. Chairman, this is getting ridiculous. The auditors are not even aware of all the internal policies of the board. They wouldn't be aware. Only a staff member who is familiar with all of the policies and procedures and intimately familiar with the act would know about that. The auditors surely are not the ones who should be challenging individual policies

of the board. It ought to be the senior staff, and it ought to be the board that is made to answer for these allegations. Look, the Minister should be aware of Wiebe from the time that he became the Minister. These are reports that were done. Mr. Wiebe tried, as I understand it, to do a service to the board by pointing out all of the many concerns he had about its operations.

The Minister is telling me this isn't the place to ask questions about it. In question period, he tells me today that the only place to ask questions is in committee. I'm asking questions. This is the only place and the only forum that members of the Legislature can ask this Minister a question. When he doesn't have answers, he tells us not to ask the questions. This is getting ridiculous.

**HON. H. HARAPIAK:** The Leader of the Opposition raised a question from the Wiebe Report, which he refers to, that did give the board some direction and we appreciate the Director of Finance having some concerns in the working of the Workers Compensation. The staff has looked at the Wiebe Report that we've got, and there is no reference to the item that the Leader of the Opposition raised. So I wonder if you could refer to what page and what part of it he makes that reference and we can check it out. Maybe he gave you a different report than we have.

**MR. G. FILMON:** At this point in time, I have to admit that I've seen so many reports that . . .

**HON. H. HARAPIAK:** I know exactly how you feel.

**MR. G. FILMON:** The only difference is that I admit to having seen those reports, Mr. Chairman, and this Minister up until yesterday was suggesting he hadn't seen a lot of these reports.

**HON. H. HARAPIAK:** I think I should correct that. I said that I had not seen the final copy of it.

**MR. G. FILMON:** Oh no, no.

**HON. H. HARAPIAK:** The Cormack final copy . . .

**MR. G. FILMON:** You said you hadn't seen the Cormack Report.

**HON. H. HARAPIAK:** The final copy of the Cormack Report still is not available.

**MR. G. FILMON:** I just caution this Minister that he is getting on the slippery slope and he's going to be subject to a motion of privilege for deliberately misleading this committee.

It's in the Cormack Report, the last page of the summary, which says that the average earnings' policy is being rendered ineffective based on its present application. As I understand it, the act calls for an injured worker to be paid at 75 percent of the average wage when injured, whereas the board policy has increases being routinely passed along.

**HON. H. HARAPIAK:** I have told the Leader of the Opposition that is one report that was asked for by

the Board of Commissioners. The Board of Commissioners has not received all the information that they require on that report at this time and we do not have an analysis of it. When the Board of Commissioners chooses to table that report or table it with me, then we will be dealing with that report.

**MR. G. FILMON:** I find it unbelievable that this Minister, when given an indication that the board is paying out payments that it should not be paying out, paying out larger payments than it should be, refuses to ask, how can we put a stop to this. Why are we doing it? Why is the policy exceeding the requirements of the act? Just as he's told us earlier that under some circumstances they don't attempt to collect overpayments, just as it was indicated earlier - and this I believe was in Wiebe - that the board isn't collecting premiums that it's entitled to in many cases.

I want to know how this can happen and why the Minister isn't attempting to do something to correct it. All of these things mean the board is either paying more than it's required to or not collecting what it's entitled to, all of which means money being squandered that should be going to injured workers.

**HON. H. HARAPIAK:** I would like to share with the Leader of the Opposition once again that I received a draft copy of the report and, when I read it, I had many of the same concerns that the Leader of the Opposition has.

**MR. G. FILMON:** Oh, you didn't say that.

**HON. H. HARAPIAK:** I met with the Board of Commissioners, and the Board of Commissioners are in the process of getting the information. They feel that many of his recommendations or comments are not board policy. They have not been practised. He has one interpretation of what's going on and the Board of Commissioners has another interpretation of what's happening, so it's a difference of opinion so we will have to deal with that later on.

**MR. G. FILMON:** Have you got a copy of the board's response to Cormack and Wiebe?

**HON. H. HARAPIAK:** No, that's still being developed.

**MR. G. FILMON:** Well then how do you know what their response is if it's still being developed?

**HON. H. HARAPIAK:** The chairperson is sitting right beside me . . .

**MR. G. FILMON:** I didn't hear the chairperson giving the Minister any advice on this matter.

**HON. H. HARAPIAK:** We have had previous discussions on it.

**MR. G. FILMON:** Mr. Chairman, and again the Minister will have to take that it's either in the Wiebe or the Cormack Report - as I indicated, I've been reading so many of these things lately - that awards are being made by the board where there is isn't a ratable

impairment. What steps is the Minister going to take to correct that?

**HON. H. HARAPIAK:** Once again, I couldn't hear the Leader of the Opposition.

**MR. G. FILMON:** What?

**HON. H. HARAPIAK:** I guess I'm starting to suffer from an old injury. I used to work as a drift miner and then I worked as a locomotive engineer, which both these occupations are known for their injuries to the person's ears, so I must have the same problem as the Leader of the Opposition. I'm having difficulty hearing.

**MR. G. FILMON:** Are you sure it isn't his concentration that's been damaged, Mr. Chairman.

**HON. H. HARAPIAK:** Maybe a bit of that too.

**MR. G. FILMON:** One of these reports, either Wiebe or Cormack, says that awards are being made where there isn't a ratable impairment. What is the Minister going to do about that?

**HON. H. HARAPIAK:** I'd be suspicious if I was the only who couldn't hear, but my staff can't hear either, unless we all worked in some occupation which has destroyed our hearing. I think it would be better if the Leader of the Opposition spoke up a bit.

I am advised that this is not a general practice, but the Board of Commissioners is still doing an assessment on that particular item which has been raised. They are checking into the long-term disabilities claims as to how they arrived at their statements or recommendations or conclusions. We have to know to how many out of the 1,000 cases each of the findings apply to know the scope of the problems that have been identified by the committee. They didn't identify if there was one out of 1,000, or two out of 1,000 or how many cases it applied to, to make a statement of that sort. So the Board of Commissioners is in a process of gathering that information from the Long-Term Disability Committee.

**MR. G. FILMON:** I'll help the Minister because there is a board directive, Board Order No. 159/84, approved October 31, 1984 with respect to functional disabilities, in which the board is setting a policy concerning functional disability, and claims for functional disability in which the following list of factors be considered when assessing a functional permanent partial disability. No. 2 is, the Medical Department has addressed restrictions and determined there is no ratable impairment.

**HON. H. HARAPIAK:** The board is aware of the fact that there will be certain circumstances where the established method for awarding a rating of disabilities cannot be utilized. The board is of the view that there should be preventions by which the individual circumstances of those injured workers who fall in that category could be dealt with. That policy has been in effect since April of 1980.

**MR. G. FILMON:** Since when?

**HON. H. HARAPIAK:** April of 1980. Maybe the Leader of the Opposition had some input when that policy was being developed.

**MR. G. FILMON:** My understanding is that this is a policy that was approved on October 31, 1984 to replace the policy dated April 16, 1980.

**HON. H. HARAPIAK:** It's the same principle in the policy. It's the same policy that was in effect in 1980.

**MR. G. FILMON:** Including the aspect of no ratable impairment?

**HON. H. HARAPIAK:** I'll read you the 1980 policy. It says: "Where a worker has established his occupation or trade over a period of years, and develops a condition which is manifested by exposure to certain factors in his employment, or is initiated, aggravated or enhanced by his employment, and it is considered as a preventative measure that he could avoid further exposure in his occupation or trade, and as a result he will suffer a loss of earnings, it shall be presumed that he has a minimum permanent disability of 5 percent, the cost of which is to be charged to the Second Injury Fund."

**MR. G. FILMON:** That's a little different from what I see in the 1984 policy. In fact, it's vastly different.

**HON. H. HARAPIAK:** I think that it's not vastly different, only it's a little clearer spelt out.

**MR. G. FILMON:** There's nothing about the 5 percent assumption in the '84 report, '84 policy?

**HON. H. HARAPIAK:** It says here that any such award that is provided will be the equivalent of one-quarter of 1 percent of the permanent partial disability rating, which is actually lower than what the previous policy was.

**MR. G. FILMON:** Mr. Chairman, I don't think we established what the role of the Minister's liaison officer was.

**HON. H. HARAPIAK:** I think I made it quite clear that he acted as a liaison person between the Workers Compensation and the Minister.

**MR. G. FILMON:** What does that mean?

**HON. H. HARAPIAK:** He's involved in drafting of letters that come to the Workers Compensation, to the Minister, and if there are any meetings that may be required between the Minister and the Board of Commissioners, then he would take part in those meetings and provide information that is required by the Minister of the Workers Compensation.

**MR. G. FILMON:** He drafts the letters from the Workers Compensation Board to the Minister?

**HON. H. HARAPIAK:** No, he is involved with letters that I receive from the public.

**MR. G. FILMON:** What was the Minister's reference to drafting letters?

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

**MR. G. FILMON:** The Minister referred to him drafting letters from the Workers Compensation Board to the Minister. What is he talking about?

**HON. H. HARAPIAK:** No, I am referring to letters that I have received from the public, making enquiries into the workings of the Workers Compensation. They may be letters that are coming from industry, people in the business community or injured workers. There are several requests that we get from injured workers, and also we get requests from members of the Opposition to make some enquiries into specific claims. The liaison officer is involved with follow-up work that is required with the Workers Compensation Board.

**MR. G. FILMON:** Why couldn't that be turned over directly to the Workers Compensation Board, rather than have the liaison officer be a go-between?

**HON. H. HARAPIAK:** That's one of the suggestions that has been made and it is suggested that it's being looked at. As we're looking at changing the board's structure, that suggestion has also been taken under consideration.

**MR. G. FILMON:** What salary is paid to the liaison officer?

**HON. H. HARAPIAK:** As the Leader of the Opposition knows, the people who have been involved as the liaison officer - I guess the first one was Craig Cormack and the next one was Nan Bennett, and now it's Ken Carrol. They are seconded from the Workers Compensation Board, and they retain the same salaries if they would have stayed at Workers Compensation.

**MR. G. FILMON:** And what is it?

**HON. H. HARAPIAK:** It's whatever level he would be at as a review officer, and we don't have that information here at this time. We can get you that information.

**MR. G. FILMON:** All right. Why does a liaison officer, if he is a liaison officer, not spend his time either at the Minister's Office or at the same offices as the board is at, rather than at a separate office?

**HON. H. HARAPIAK:** There's difficulty with the Minister's Office, that there's a lack of room in the Legislative Building. Members of the Opposition are quite often asking for more space in the Legislative Building and I'd like to have my Deputy Minister in the Legislative Building, but unfortunately there's not enough room in the building. There are limitations, so we can't have all the resource people that we'd like to have in the building here. Because of that, we don't have the room to locate them here.

**MR. G. FILMON:** Well, having the largest Cabinet in the history of the province probably has something to do with the lack of space here, Mr. Chairman.

**HON. H. HARAPIAK:** I think the Leader of the Opposition should also know that his members are making many requests for some additional space and there's been a large improvement in the space the members of the Opposition have, in comparison to what the New Democrats had when we were in Opposition during the last government. So I think if you would look at how much more space is taken up by members of the Opposition, I don't think that you could make that argument.

**MR. G. FILMON:** Wouldn't Mr. Carroll be more effective if he was at the head offices of the Workers Compensation Board?

**HON. H. HARAPIAK:** I am told that he has a good rapport there with a person who is his contact person, and I'm told that relationship is working out very well.

**MR. G. FILMON:** Who is his contact person?

**HON. H. HARAPIAK:** Carla Loewen, Jeff Curtis and George Davis.

**MR. G. FILMON:** And those are all workers' advisors?

**HON. H. HARAPIAK:** No, they're staff of the Workers Compensation Board.

**MR. G. FILMON:** How many workers' advisors are there?

**HON. H. HARAPIAK:** The Workers' Advisors Program comes under the responsibility of the Minister responsible for Workplace Safety and Health, and I do not have that information.

**MR. G. FILMON:** Where do their salaries come from?

**HON. H. HARAPIAK:** Their salaries are presently paid for by the Workers Compensation Board.

**MR. G. FILMON:** Well then I would think that the Minister could answer questions on them.

**HON. H. HARAPIAK:** They are paid for by the Civil Service Commission, but the Workers Compensation Board reimburses their salaries.

**MR. G. FILMON:** Okay, given that, can the Minister tell me how many workers' advisors there are?

**HON. H. HARAPIAK:** We don't have that information.

**MR. G. FILMON:** Do they have offices at the Workers Compensation Board offices?

**HON. H. HARAPIAK:** They do not have any permanent offices in the Workers Compensation Board. They have one small office where they come to review files on claims that they are working on.

**MR. G. FILMON:** Where are their permanent offices?

**HON. H. HARAPIAK:** On Balmoral Street.

**MR. G. FILMON:** What's on Balmoral Street?

**HON. H. HARAPIAK:** That's where the Workers' Advisors Office is located.

**MR. G. FILMON:** What does it cost the Workers Compensation Board?

**HON. H. HARAPIAK:** We told the Member for Portage la Prairie, we gave him that information, but I will look it up again for the Leader of the Opposition. The charges under The Workers' Safety and Health Act are \$1,793,189, and the expenses of the workers' advisors is \$377,969.00.

**MR. G. FILMON:** And the Minister has no idea how many there are and his chairperson has no idea how many there are?

**HON. H. HARAPIAK:** No. I have no more idea of how many there are on the workers' advisors, than I have under knowing how many the Minister of Urban Affairs has in his office. We're not responsible for that area, so we don't know.

**MR. G. FILMON:** Mr. Chairman, these are people whose role it is to advise claimants on their rights. They used to be under the same jurisdiction of the same Minister of Workers Compensation. They initially were set up, and the only reason that the money transfer went back and forth was to make it look more like an arm's length basis but, without question, they're part and parcel of the overall Workers Compensation services in the province, so surely the Minister can't play dumb and say he knows nothing about these people.

**HON. H. HARAPIAK:** I guess my first temptation is to retaliate to a comment of that sort, but I can tell the Leader of the Opposition that I am not playing dumb. I think it's a dumb question. You sat through the Estimates of the Minister responsible for Workplace Safety and Health. Why didn't you ask that question at that time?

**MR. G. FILMON:** Mr. Chairman, because their role is directly related to the Workers Compensation system of this province. They were set up to assist workers in their claims; they were set up to ensure that workers got the full benefit and protection of The Workers Compensation Act and system and they are part and parcel of the process. I find it incredible that the Minister doesn't know anything about anything with respect to worker advisors.

**MR. DEPUTY CHAIRMAN:** Pass? Minister's Salary—pass? No?

**MR. G. FILMON:** Mr. Chairman, what involvement do the worker advisors have with the board? Do they ever appear before the boards?

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

**HON. H. HARAPIAK:** Yes, they sit at the second level of appeal and they help the claimants prepare their

cases when they come before the Board of Commissioners.

**MR. G. FILMON:** This is part of the so-called adversarial process where they're trying to make the case on behalf of the worker, sometimes being opposed by the expert opinion of staff members. Is that the case?

**HON. H. HARAPIAK:** I guess if that's the way the Leader of the Opposition chooses to put it, it is a process that the claim has been rejected at one level and then there's an appeal process which all claimants are entitled to. The worker advisors assists these claimants in making submissions to the next level of appeal. If he feels that's an adversarial process, I guess that's his opinion.

**MR. G. FILMON:** It's also King's opinion because King referred to the adversarial process versus the investigative process.

**HON. H. HARAPIAK:** It's King's opinion too?

**MR. G. FILMON:** That's right. Does the Minister disagree with King's opinion on this?

**HON. H. HARAPIAK:** The review committee has many interesting recommendations and many interesting observations, and some I agree on and some I disagree with.

**MR. G. FILMON:** The Minister has no opinion on anything that King has done?

**HON. H. HARAPIAK:** Yes, I have opinions, but I am not going to be sharing them with the Leader of the Opposition at this time.

**MR. G. FILMON:** Why not? What other opportunity do we have to question this Minister about all of these reports that he talked about and said, when we talk about Wiebe and we talk about Cormack, he says we should be talking about the King Report because that's the more comprehensive, the all-inclusive one. Now we talk about the King Report and he says he has no opinion and, if he does, he won't share it with us. That's a ridiculous position.

**HON. H. HARAPIAK:** I think the Leader of the Opposition is trying to fabricate a story which will create some sensation and get him some headlines. He's obviously lagging in his role as a Leader of the Opposition and he's getting some heat, so he's going to try and generate a story here.

**MR. G. FILMON:** Mr. Chairman, I don't need to try and generate a story. All I need to do is let this Minister babble away and the story is printed. He makes a story every time he opens his mouth. All my job is simply to ask him questions, but it's obvious that all I need to do is point out that the Minister won't respond to any questions on this matter, won't respond to questions on King. What was the good of having a King Report if the Minister won't respond to questions on it?

**HON. H. HARAPIAK:** We'll be responsible to the entire report. The entire report has 178 recommendations.

Many of them are excellent recommendations and we haven't had the opportunity to cost out the recommendations that have been put forward. So until such time as we have had an opportunity to analyze them and cost them out, we will not be acting on any of them.

**MR. G. FILMON:** Is the suggestion that we return to an investigative system rather than adversarial system of dealing with claims one of those excellent recommendations that he referred to?

**HON. H. HARAPIAK:** It's a suggestion that has a lot of merit.

**MR. G. FILMON:** It's a suggestion that has a lot of merit.

**HON. H. HARAPIAK:** Right.

**MR. G. FILMON:** So now we're going back to what was there before. Does that mean that the worker advisors will no longer be required?

**HON. H. HARAPIAK:** I think the worker advisors are fulfilling a very useful role in the whole area of Workers Compensation. Clearly, they are fulfilling a useful role and they will continue to provide that role.

**MR. G. FILMON:** The Minister earlier referred to the fact that the worker advisors became involved in appealing a claim that had been turned down. Do they not become involved prior to that?

**HON. H. HARAPIAK:** The worker advisors have a backlog at this time. But if a worker became injured and required some assistance to put together a presentation, then they would assist them, as time would permit, to put together a claim.

**MR. G. FILMON:** Can the Minister indicate whether or not the worker advisors still include a number of people from the MFL who were seconded and trained to become worker advisors?

**HON. H. HARAPIAK:** As I told the Leader of the Opposition, they do not report to me, they never have reported to me and I do not know if they still have staff through the MFL who were seconded to those positions.

**MR. G. FILMON:** I wonder if I could return to a question that I had earlier asked. Could the Minister indicate whether or not his liaison officer ever attends a meeting of the board of the Workers Compensation Board, either on a direct basis or as a resource person?

**HON. H. HARAPIAK:** You're referring to board meetings when the claims are being dealt with?

**MR. G. FILMON:** I'm referring to board meetings.

**HON. H. HARAPIAK:** The liaison officer does not attend board meetings.

**MR. G. FILMON:** Does he attend board meetings where claims are being discussed?

**HON. H. HARAPIAK:** No.

**MR. G. FILMON:** Well then why did you need me to clarify that?

**HON. H. HARAPIAK:** Well, he could attend a meeting when the board is meeting with the Minister. So if the board happens to be having an informational meeting with the Minister, then a liaison officer could attend those meetings.

**MR. G. FILMON:** But he has never attended, either this liaison officer nor previous liaison officers, has never attended board meetings of the Workers Compensation Board?

**HON. H. HARAPIAK:** The liaison officers have never attended a meeting. Whoever is in attendance is reflected in the minutes of the meeting and they have not attended meetings.

**MR. G. FILMON:** In the Workers Compensation Board submission to the Legislative Review Committee, Mr. King, part of their submission said: "As a statutory tribunal, the Workers Compensation Board must show that any action it takes is within the authority provided by the enabling legislation. If actions taken are not within the commission's jurisdiction, then the actions are ultra vires or beyond the board's jurisdiction. While via statute the Workers Compensation Board of Manitoba has exclusive jurisdiction to decide all matters arising under the act, it must be emphasized that legal remedies could still be possible if the doctrine of ultra vires became applicable. Therefore, while Section 51(1) of the Manitoba Workers Compensation Act provides for no review by the courts, the superior courts do retain the power to consider the legality of actions taken by the Workers Compensation Board.

"This is to say that judicial review may occur, not with respect to considering the specifics of the case, but rather whether the Workers Compensation Board has acted within the powers provided under legislation.

"As a result, judicial review would focus on the board's interpretation and application of its jurisdiction as contained in its enabling legislation, in light of the doctrine of ultra vires. Aside from the matters of jurisdiction, judicial review may also address procedural errors, principle of natural justice.

"Procedural errors of law can be viewed as deviation from duty to be fair, which then removes the commission or board from its jurisdiction. This could also result in judicial review. Therefore, it is apparent that the privative clause contained in legislation, including The Workers Compensation Act, does not absolutely preclude judicial review if there has been an excessive jurisdiction or a fundamental procedural error."

There has been indication of the board operating outside of its jurisdiction or contrary to the requirements of the act in the report of the Legislative Review Committee, and in the Wiebe and Cormack reports. Does this not leave the board open to a potential court challenge on some of these areas that have been identified as being contrary to its jurisdiction?

**HON. H. HARAPIAK:** Yes, there are areas where they could be challenged under the jurisdiction question but, so far, the ruling has been in favour of the board.

**MR. G. FILMON:** Okay. What is the Minister going to do to ensure that the board gets its operations within the act so that it isn't subject to challenge?

**HON. H. HARAPIAK:** The board has access to legal counsel, and they consult legal counsel continuously. But I guess, as in most questions of law, it's subject to the interpretation of different courts or employers and I guess different legal advice that the employers may be getting. So in this particular case, obviously the lawyer felt there was a case but the courts have ruled in favour of the board up to this point.

**MR. G. FILMON:** The Minister indicates many times that there were many major problems with respect to Workers Compensation in 1981. I'll quote from a letter that was sent to the then Minister responsible actually in the midst of the 1981 election campaign. It's from the Manitoba Federation of Labour, Dick Martin, President.

"Dear Mr. McMaster: It has become very evident to the Manitoba Federation of Labour that there are very serious internal administrative problems at the Workers Compensation Board. These problems, in our opinion, culminated with the firing/suspension without pay of Mr. Ken Carrol who was the Assistant Claims Director of the Workers Compensation Board.

"At a recent executive council meeting of the MFL, it was unanimously approved that we request the Provincial Government to conduct a complete independent, internal investigation of the day-to-day operations of the board, establishment of board policies, the relationship of the board members to the senior administration, and the general administration of the Workers Compensation Board.

"We, in addition, are requesting that Mr. Ken Carrol be immediately reinstated with full pay until at least the outcome of the independent investigative report is published, which would either vindicate him or convict him of alleged wrongdoings as an employee of the board.

"This report should be made public since the Workers Compensation Board is also a public institution. This independent investigation should also be charged with investigating the Criminals Injury Compensation Board's administration activities or to fully air problems there.

"We believe that these requests can be easily instituted by calling the Lampe Commission back in order to conduct this internal investigation. This group of individuals are knowledgeable about The Compensation Act, the procedures and, above all, have the confidence of management, labour and the public."

You'll recall that at that time, I believe Judge Nitikman was appointed by - perhaps it was the Attorney-General at the time, or was it Mr. McMaster; I can't recall - to conduct such an open and judicial inquiry and allow for all these things to be investigated. That was cancelled, that judicial inquiry, and in fact replaced by a closed inquiry by Inspector Clive Cooper of the RCMP. The government then used that as the impetus to fashion the Workers Compensation Board in the image

that it had decided, wiping out the senior long-term civil servants and replacing them with political appointments.

The Minister responsible, Mr. Cowan, in presenting his recommendations, documented, "that it should be emphasized that at no time was there any evidence presented that would indicate that these difficulties were other than management and communications problems." Those were the big problems that were uncovered by an RCMP inspector's investigation into Workers Compensation.

He used that as a springboard to totally change the board. He totally changed the board from having been operated by long-term public servants, apolitical people, to appointments made by the government, three people to operate totally the board. Since then, the allegations that were made by Mr. Carrol: claims' decisions overruled because of outside pressure rather than on the merits of each case; Claims Department staff shifted the documentational onus onto the worker; permanent partial disability awards rated by the board's doctors were appealed to review panels and higher amounts were awarded in most cases; employers pressured to find suitable work for injured workers - if they couldn't, the worker was given a cash settlement; management by intimidation; and appeal procedures not clearly explained - those were his major allegations. Those pale by comparison to the findings of these three reports.

These three reports - King, Wiebe and Cormack - detail an operation of the board that is absolutely and totally to be criticized in so many different ways: total incompetence in management; policies that contradict the mandate under the act; contradictory and unevenly decided awards; all sorts of discretion under rehabilitation; 178 recommendations that make this kind of analysis and allegation pale by comparison.

Yet this Minister has the gall to sit there and say that everything's under control and this is so much better than it was in 1981, when in fact at that time his predecessor said that the major areas of concern were communication and administration. Now we're being told that this board is operating it so much better.

Mr. Chairman, I suggest that if this Minister does not take thorough and complete action on this matter - and in fact he doesn't appear to be able to take that or committed to take it, because he is suggesting that he won't even answer questions on the King Report. He won't even give an opinion on the King Report, but he knows nothing about Wiebe and Cormack because they're internal reports. He's read them but he has no opinions on them.

He is being told by board members that these senior staff people - Cormack, who was a former liaison officer to -(Interjection)- will the Member for Ellice, who wishes to engage in invectives and slander, keep his tongue to himself? His contributions are no more appreciated here than they are in his caucus.

Mr. Chairman . . .

**HON. H. HARAPIAK:** That's not fair. His contributions are appreciated in caucus. He has many worthwhile contributions, so I want to put that on the record.

**MR. G. FILMON:** Mr. Chairman, the Minister indicates that he is not prepared to say anything or do anything

about any of these reports, and they create a trail and a picture of absolute, abject, total mismanagement and incompetence between the policies that were developed and changed over the years at the behest and the encouragement of this NDP administration. The political interference, the political decision-making, the inconsistency in awards, the open opportunity for utilization of all sorts of discretion on the part of the board, all of this absolutely damning evidence says that this board is totally and completely out of control.

Yet we have a Minister who refuses to deal with reality. In fact, we have a Minister who obviously was set up as a puppet so that we couldn't get at one of the real culprits, his predecessor, the Member for Radisson, who has driven this board into a state where it is now \$184 million in deficit after this government, this NDP administration, having taken it over with a \$36 million surplus, where it had operated, as I said, consistently under Conservative administrations, under NDP administrations, again under Conservative administrations, as an apolitical body where it was able to reduce three times under the Schreyer administration, reduce its rates, where it was able to have its rates reduced as well under the Lyon administration, and where it still continued to do the mandate that it was entitled to. This government, under his predecessor, brought in new policies without having any idea of what they might cost, and where they continued to operate on an ad hoc basis with influence, political, with influence from labour, with influence from outside sources that far exceed what was suggested by Ken Carrol when he was criticizing the board.

Yet, this Minister is saying he won't answer questions, he won't make criticisms, he won't make judgments, he won't do anything that is needed to be done because he doesn't want to talk about it. There are 178 recommendations.

Even the Manitoba Federation of Labour has attempted to stiffen the backbone of this administration by asking for the resignation, by demanding the resignation of the chairperson. Why hasn't the government jumped to the attention of the Manitoba Federation of Labour as it always does? Is he waiting until his Estimates are through to make a decision of that nature? Is that what the Minister is waiting for?

He doesn't want to have to answer questions. He doesn't want to have to answer in debate in this committee as to why he's doing these things and what his intentions are. The whole process of this committee is to get this Minister through unscathed - well, it's not unscathed, he's already totally scarred and bruised and battered on this exercise - but to get him through this at a time when he doesn't have to answer to committee and to the House for his actions.

The last inquiry was based on allegations which were never substantiated in any firm degree, even according to Mr. Cowan when he was Minister responsible. Now, we have allegation after allegation after allegation substantiated in Wiebe, in Cormack, in King, leading to 178 recommendations. This Minister's only conclusion is, I'm not going to talk about it, I'm not going to answer it, I'm going to deal with it as a package and I don't want to have to talk about it because it's all too painful and I really don't know about it because I'm new here.

Well, I want to say that this strategy of the government of political damage control, appointing the four-member

committee of Cabinet, appointing the P.R. group to try and get them through this, is obviously intended with one effect only and that is to have somebody in place who knows so little and can plead ignorance with a great deal of credibility.

Obviously, this Minister can do that with a great deal of credibility. Now, we are being asked to accept that is all we can get out of these hearings, all we can get out of these committee reviews of Workers Compensation, is this Minister's total committed assurance that he is ignorant.

We've got to have more that, Mr. Chairman. We've got to have answers and we're not going to get them from this Minister. We're not going to get them as long as he's there. All we're going to get is the rehearsed responses, no matter what question is asked, the rehearsed responses of this Minister who is a puppet for the Premier and who is obviously being put in place to cover up for the actions of his predecessors . . .

**A MEMBER:** Right on!

**MR. G. FILMON:** . . . so Mr. Chairman, with great regret, with great regret, because this Minister probably doesn't deserve to be placed in this position although he willingly accepts it and carries out the role that was intended for him, I have to move that this Minister's salary be reduced to \$1 because he refuses to give answers and he refuses to do the things that are necessary to make the commitments to improve the Workers Compensation Board.

**SOME HONOURABLE MEMBERS:** Question.

**MR. E. CONNERY:** The motion's on the floor.

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

**MR. D. SCOTT:** Thank you very much, Mr. Chairman. I find it . . .

**MR. E. CONNERY:** There's no debate on the motion, Mr. Chairman.

**MR. CHAIRMAN:** Point of order.

**MR. D. SCOTT:** Every motion is debatable.

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

**MR. CHAIRMAN:** The Member for Inkster has the floor.

**A MEMBER:** On a point of order.

**MR. CHAIRMAN:** The Member for Portage la Prairie.

**MR. E. CONNERY:** You said the member had the floor because he got up on a point of order. . . .

**MR. D. SCOTT:** No, he didn't!

**MR. E. CONNERY:** He did not?

**MR. D. SCOTT:** He did not.

**MR. E. CONNERY:** The Chairman said you had the floor because it was a point of order. It is not a point of order, so he doesn't have the floor on a point of order. The question, the motion was put; now you vote when there's a motion.

**MR. CHAIRMAN:** Order.

**MR. D. SCOTT:** He doesn't even have the motion in writing so it's not even in order yet. Now may I have the floor?

May I have the floor, Mr. Chairman?

**A MEMBER:** A point of order, Mr. Chairman.

**MR. CHAIRMAN:** Yes.

**A MEMBER:** I believe the vote is taken in the House.

**MR. D. ORCHARD:** The vote is taken here first, and then someone decides to move it in the House.

**MR. CHAIRMAN:** Is it the wish of the committee to debate the motion?

**A MEMBER:** Just go for the vote. It has to go to the House.

**MR. CHAIRMAN:** Is it the wish of the committee to move into the House for the vote?

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

**A MEMBER:** You have to vote here first.

**MR. CHAIRMAN:** Do you want to have the motion read?

**MR. D. SCOTT:** Mr. Chair, I still want to speak to the motion.

**SOME HONOURABLE MEMBERS:** No!

**MR. D. ORCHARD:** It's not a debatable motion.

**MR. D. SCOTT:** It is a debatable motion. Where do you get it's a non-debatable motion? Would the Member for Orchard (sic), or the member for wherever else, please show me where it's a non-debatable motion?

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

**MR. CHAIRMAN:** Order please.

It's been moved by the Leader of the Opposition - I have been corrected and I understand that the rules are that the motion can be debated before it is read. The Member for Inkster.

**MR. D. SCOTT:** Thank you very much, Mr. Chairman.

Sorry for all the confusion I guess brought upon the House by several of the members of the Opposition on trying to bring up bogus rules that this is not a debatable motion. I find it rather sad that we have the Leader of the Opposition trying to attack this Minister for the state and the condition of the Workers

Compensation Board. The roots of the difficulties that the Compensation Board has today go back very clearly to decisions that were made when the Leader of the Opposition was in government.

**SOME HONOURABLE MEMBERS:** Schreyer, Schreyer. Schreyer days.

**A MEMBER:** We took over when Schreyer was in office.

**MR. D. SCOTT:** The Schreyer administration did not start any great reductions in the rates.

**A MEMBER:** He reduced rates three times.

**MR. D. SCOTT:** And what was the status of the corporation at that time when the members of the Opposition were in government? When the members of the Opposition were in government, did it not have dramatic reductions in the surplus account?

**MR. G. FILMON:** No, no, no.

**MR. D. SCOTT:** The Leader of the Opposition shows how little attention he paid, when he was in government, to the Workers Compensation Board.

Mr. Chairman, it is particularly odd and ironic that we have the Leader of the Opposition trying to make a start, I guess, to a leadership career, leader of his party, using this as a base with the threats that he has used to this Minister in the House, the hyperbole that goes along with the accusations.

It is very clear that the Workers Compensation Board needs a thorough review and that is what the government launched a year-and-a-half to two years ago and has now had the report. The report is very lengthy as the members opposite I'm sure have gone through the recommendations at least in that report, and this Minister, I have full confidence, will proceed to address the various issues raised in that report.

So here we have the members opposite trying to discredit a Minister who is acting upon a report, a report that was brought in because, looking at the long-term needs of the corporation, it was obvious that significant change needed to take place.

Now we have the Minister who is going to be working with this and bringing this report to fruition and the recommendations in it to fruition, and we have the members opposite trying to play games with salary reduction. So it shows the baselessness, if it could, of the members opposite of their attack in this issue as well as in so many other issues. I thank you for the brief opportunity, Mr. Chairman, to address this very important issue.

**MR. CHAIRMAN:** Are we ready for the question?

That the Minister's Salary for the Department of Government Services be reduced to \$1.00. All those in favour, say aye; all those opposed, say nay. In my opinion, the nays have it.

We shall move into the House.

Committee rise.

Tuesday, 30 June, 1987

## SUPPLY - CIVIL SERVICE

**MR. CHAIRMAN, C. Santos:** Committee of Supply, please come to order.

This Committee has heard the opening statement from the Honourable Minister responsible for Civil Service and the reply from the Opposition Critic.

At this time, we wish to invite the administrative staff of the Civil Service to take their respective places.

We shall start with Item No. 1.(a)(1) Civil Service Commission, Administration and Finance: Salaries; 1.(a)(2) Other Expenditures.

The Member for Brandon West.

**MR. J. McCRAE:** Perhaps you could pause for just a minute while the Minister's staff come in.

**MR. CHAIRMAN:** The Honourable Minister.

**HON. E. KOSTYRA:** Thank you, Mr. Chairman of Committee.

I'd like to introduce the staff that are here. Starting on my left, Mr. Bob Pruden who is director of Negotiation Services, who is filling in for the Assistant Deputy Minister of the Labour Relations Branch of the Civil Service Commission, who is away. In front of him is Mr. Bob Pollock, who is secretary to the Civil Service Board. On my immediate right is Mr. Terry Edgeworth, Assistant Deputy Minister; and in front of him is Ms. Roberta Ellis-Grunfeld who is the Civil Service Commissioner charged with the responsibility of Pay Equity.

The Civil Service Commissioner, Mr. Paul Hart, is out of the city, out of the province on commission business.

**MR. J. McCRAE:** Mr. Chairman, I understand Ms. Ellis-Grunfeld is also filling in at the Pay Equity Bureau at the Department of Labour, and I'd like to know how long that has been going on where Ms. Ellis-Grunfeld has been holding the two positions?

**HON. E. KOSTYRA:** That's been since January of this year.

**MR. J. McCRAE:** I shouldn't rely on my memory here too much. What is the circumstance of the Pay Equity Bureau Chief? Is that position open, or is that person on a leave of absence?

**HON. E. KOSTYRA:** That comes under the responsibility, not of me, but of the Minister of Labour, the Department of Labour, which I think Estimates have been discussed. The reason for the secondment into that position was the incumbent who was in that position was on indeterminate illness. At this point in time, that individual is not returning to work and doesn't anticipate returning to work. The individual has been seized with the illness of cancer.

**MR. J. McCRAE:** Mr. Chairman, I realize it is under the Department of Labour, but I just wonder if the illness and the absence of the Pay Equity Bureau Chief requires - I take it - a fair amount of the attention of the Pay Equity Commissioner to look after that position.

I just wonder how things are going for the commissioner and her position as commissioner. I know

she is a very busy person and that pay equity concerns in Manitoba occupy an awful lot of her time; and I just wonder how the same person can do both jobs for six months without some changes being made to fill both positions.

**HON. E. KOSTYRA:** I think things are going fine and she is receiving considerable support from staff within the commission and, as I understand it, from staff within the Department of Labour with respect to her other responsibilities.

**MR. J. McCRAE:** Mr. Chairman, it's nice to see that kind of cooperation taking place in the government and work is being done. In that connection, I'd like to ask the Minister how many seminars Ms. Ellis-Grunfeld has conducted in the last year on pay equity and to what types of subscribers is she giving these seminars?

It's a matter I've discussed with her myself, and I've indicated that I myself would be interested in taking part in one of those seminars; but I'd just like to get an idea of how many people are being given the benefit of these seminars in this province?

**HON. E. KOSTYRA:** There's been no seminars run by her in her responsibility with respect to the Civil Service. There has been with respect to the pay equity, which I understand that was provided during the Labour Estimates. But in terms of responsibility within the commission, no, there hasn't been. The only area where she would provide advice, outside of that to the government, would be in areas where there's discussion between other people in the public sector, vis-a-vis implementation of pay equity; as where other agencies may want to get some advice as to how developments are going within the Civil Service Commission in terms of how they deal with them within their Crowns or agencies.

**MR. J. McCRAE:** Are there any indications . . . I understand, Mr. Chairman, that the various other Crown agencies listed in The Pay Equity Act have to file - wasn't it today those reports were to be filed? Are there any reports that have not been filed or any agreements that have been not filed?

**HON. E. KOSTYRA:** That area is not the responsibility of the Civil Service Commission. That's the responsibility of the Department of Labour, Pay Equity Branch. However, I'm told that process is going well and they expect to see most, if not all, done.

**MR. J. McCRAE:** Mr. Chairman, there's been a fair amount of debate recently about Bill 47 and changes in The Human Rights Act and I'd like to ask the Minister about the impact that Bill 47 will have on the Civil Service of Manitoba.

There are a number of programs that might come into play in regard to extending certain rights to homosexuals and lesbians under Bill 47, regarding The Civil Service Superannuation Act, the long-term disability plan, the dental plan, and the group life insurance plan. Will civil servants who are homosexuals and who wish, for instance, to be married, will they be entitled to the right to be married under the laws of

Manitoba, and the extension of that would be survivor benefits and spouses' benefits?

Would the Minister like to comment on the extent to which the Civil Service will have to change its operating procedures?

**HON. E. KOSTYRA:** Well, the question as to whether or not homosexuals will be allowed to marry is something that I can't answer; that would be something that comes under Vital Statistics or other legislation. In terms of what impact that change to the Human Rights Code may have on our benefit plans in government, we don't anticipate any changes as a result of the legislation.

There has been some suggestion, indeed, I think at a point in time in this House during debate on Bill 47, that this would require changes in our benefit plans. The advice that we have been provided with is that, no, that is not the case, so it's not our intention to make any changes to the benefit plans.

However, obviously some of those things are subject to collective bargaining and there could be proposals put forward to change that. I'm not aware that that is the case or not the case, but we don't believe, if Bill 47 is passed in its present form, that the provisions of that act will not require any changes to any present benefit plans that are in existence.

**MR. J. McCRAE:** I take it, Mr. Chairman, that is just an opinion being given by this Minister today and that he doesn't know, as a matter of fact, what the impact of Bill 47 will be. What he's giving us today is his belief, his opinion on how things will be in the future as a result of Bill 47.

**HON. E. KOSTYRA:** Exactly, the bill is not passed, so I can't tell you what may or may not take place once the bill is passed. I can't tell you what interpretation a court may put on provisions of that bill if requested to do so by individuals or groups. I can't tell that for a fact, because that is not fact, Bill 47 is not fact, so we're dealing with a hypothetical situation.

But I can tell the member that that issue was researched by advisers and the advice given is that it would not have any impact. Whether or not, in fact, it will not have any impact is something that I can't determine - not even the member opposite can determine - because we're not judges and we aren't charged with the responsibility or interpreting or enforcing legislation that is passed. But the advice we've been given, legal advice, is that it would not have any impact.

**MR. J. McCRAE:** Mr. Chairman, it strikes me that this is something the government would like to be kind of sure of one way or the other, so that it knows what the implications of legislation it brings forward and passes in this House, what those implications are. I should have thought the Minister would come prepared today to give a definitive answer about what the future holds for benefit packages and employee plans in the future as a result of Bill 47. I'm surprised that the Minister can't be more clear on this issue.-(Interjection)- If there's no bill. Well, that's the point.

Mr. Chairman, the Minister says the bill hasn't passed, so how could he know? It strikes me that he should

find out before the bill is passed so we can all know and he's given us an opinion. I don't think that's good enough, but the government will do what it will do.

**HON. E. KOSTYRA:** I don't know what would satisfy the member in terms of response. I indicated that the advice that we'd been given, legal advice, is that it would not have any implication on the benefit plans that are in existence. That is the assurance I'm giving the member, but I cannot guarantee him that a court, if given the opportunity to review that matter, or if a court did review that matter and if a higher court had the opportunity of reviewing the decision of the lower court or indeed if a higher court than that higher level, then an appeal court had the opportunity of looking at it, they may decide different. I cannot tell you that for a fact.

I can tell you that the advice we've been given is it will not have any impact on our benefit plans. We have no intention in terms of changing any of our benefit plans. So that is the fact as it exists at this point in time.

**MR. J. McCRAE:** Mr. Chairman, we already have indications from people like Chris Vogel that that's not the way certain people in this society see it, so that before we ever go ahead with Bill 47, we know that these are matters that are going to have to be sorted out. I would just have thought that a government would want to have a pretty clear picture of which way it's heading before it starts heading in any particular direction.

Mr. Chairman, later this year the government will be getting involved in some very important negotiations with the Manitoba Government Employees Association regarding salaries and benefits and other things for the future. I would ask the Minister to agree with me that in view of the past and in view of our budgetary situation in this province, it would be vitally important, the negotiations that are coming will be vitally important to the future of the Civil Service of Manitoba and to the future of Manitoba as a whole.

Does the Minister agree with what I've said, that those negotiations coming up very soon have a vital importance to the long-term future of our province?

**HON. E. KOSTYRA:** Yes, I would agree that those negotiations are of vital importance to the Civil Service in the province. Obviously those employed by the government who are members of the major bargaining unit have a lot at stake in those negotiations as indeed do others employed in the Civil Service because the impact of those negotiations through the collective bargaining process have impacts beyond those members of the MGEA who are engaged in that bargaining. The benefits or terms of that agreement have an impact on other bargaining, both direct and indirect, to the other public sector within the province.

Also, I would agree with the member that given the overall fiscal situation, any changes in remuneration has a direct impact on the finances, revenues, expenditures and bottom line, i.e. the deficit of the province. So, yes, from that standpoint, they are important and worthy of considerable attention.

**MR. J. McCRAE:** I think it was Mr. Pruden who is involved with the strategy for collective bargaining coming up this fall, is that correct?

**HON. E. KOSTYRA:** Yes, he's the director of the branch that has the specific responsibility for negotiations under the Assistant Deputy Minister, Mr. Gerry Irving, and, of course, under the Civil Service Commission, a Mr. Paul Hart. The policy for bargaining is established by government, ultimately by Cabinet.

**MR. J. McCRAE:** Mr. Chairman, is it fair to say that in preparation for important negotiations with a bargaining agent, dealing with some 17,000 or so employees, that a strategy is set, certain ways of proceeding are discussed amongst members of the commission as to what strategy they will take when bargaining begins?

**HON. E. KOSTYRA:** Yes, we do establish a strategy for bargaining.

**MR. J. McCRAE:** When does the Minister expect that negotiations would begin on a new contract?

**HON. E. KOSTYRA:** We expect that the MGEA will be filing its notice of collective bargaining within the next few days and at that point we presume they would table proposals for bargaining. Once we have an opportunity of reviewing that, bargaining would start within a matter of weeks.

**MR. J. McCRAE:** Just in regard to the strategy, and I don't want the Minister to tell me what it is - I know he wouldn't anyway - but in regard to the strategy being put in place and planned for negotiations that are upcoming, what would be the impact on the part of the employer if the rules were changed, the rules under which the negotiations are done and under which these matters are settled? I refer specifically to Bill 61 which could alter dramatically the rules of the game in collective bargaining. What would be the effect of a change in the rules in the middle of the game?

**HON. E. KOSTYRA:** I am not aware of any changes that would take place that would impact the bargaining as it exists under The Civil Service Act. That act governs the direct relationships between the government and its employees' bargaining agent. There is provisions in that legislation for a dispute resolving mechanism; that is arbitration. Any changes with respect to The Labour Relations Act are not subject to The Civil Service Act.

**MR. J. McCRAE:** Mr. Chairman, under those circumstances, what importance does the support of the Manitoba Government Employees Association have to the present debate on Bill 61?

**HON. E. KOSTYRA:** I have no idea. I guess you would have to ask your union that question. I don't know the answer. I would presume, if I should presume those kind of things, that they have an interest because they represent bargaining units outside of the Government of Manitoba that come under the jurisdiction of The Labour Relations Act.

**MR. J. McCRAE:** Does the Minister know how many employees would be involved?

**HON. E. KOSTYRA:** No, I don't. We know that the MGEA represents some employees in the health care

field, MPIC, Liquor Control Commission. It's your agencies that are subject to The Labour Relations Act, but I can't get the member the number of workers that are covered.

**MR. J. McCRAE:** I'd like to ask the Minister about the MGEA contribution to the Jobs Fund.

Can the Minister give me a little bit of a history of the MGEA's involvement in the Jobs Fund?

**HON. E. KOSTYRA:** That resulted through a renegotiation of the agreement that existed at that time, February 1983, when there was a deferral of wages for a number of months which resulted in approximately a \$10 million amount that was not paid out in salaries to government employees, members of the MGEA, which were put into trust accounts in the Jobs Fund to be used for economic job creation activities. Requests for disbursements from that, I think, as the member is aware from discussion in the Jobs Fund Estimates, is on a joint approval basis of the MGEA and the government. There has been a variety of projects supported through that - some, or many, or most external to government, though some within the government.

**MR. J. McCRAE:** How does the joint approval process work when it comes to the expenditure of MGEA funds for Jobs Fund projects? How does the approval mechanism work? How does the Jobs Fund get the approval of MGEA? Is there a board or how does that work?

**HON. E. KOSTYRA:** The approval comes formally from the MGEA, either - if I recall in the past - by letter or by decision at joint council, which is the formal mechanism that exists in legislation for ongoing labour-management dialogue between the MGEA and the government.

The government still requires the formal approval process going through Treasury Board for any approval of funds expended, but once the agreement is reached there, then it goes through the normal Treasury Board process and, if necessary, Cabinet O/C approval.

**MR. J. McCRAE:** Mr. Chairman, I'm looking at page 22 of the Supplementary Information provided by the Minister, and that deals with the Executive Office. I see that there's one managerial position there and a professional position. Who is this professional person? What is the nature of that person's work?

**HON. E. KOSTYRA:** Maybe I'll just run through that. The managerial position is Mr. Paul Hart, who is the Civil Service Commissioner. The one professional SY in there is the director of Communications, Yvette Creft. However, the obvious question being that's quite an amount of money for salary - also included in those salary costs is the salary of the Pay Equity Commissioner.

There's no SY shown there because that SY is contained elsewhere in the Estimates of part of the Temporary Assignment Pool, acronym TAP, which is on page 45, and there you'll see that there are seven SY's and a cost of \$409,000 with total recovery; that is that

those seven TAP positions that are allocated in a number of areas of government, the costs are recoverable. So the portion of this \$103,700 which the Pay Equity Civil Service Commissioner receives is charged back to here, and that's where the SY shows. That's why it doesn't show here because it's part of the TAP positions.

**MR. J. McCRAE:** It's a little confusing the way it is. Maybe I could suggest to the Minister that next time he does these Supplementary Estimates booklets, that that kind of information be clearer because that looks like one person is making \$103,000 - it was my initial reaction anyway.

Again, Mr. Chairman, on page 24, Policy and Audit, I should ask the Minister if the professional person in that instance is a new person and which position that is.

**HON. E. KOSTYRA:** Is the question why there was a reduction there? Yes, that is besides the staff, that also includes the costs associated with the board. The chairman of the Civil Service Commission Board is now being paid at a lower overall cost than he was before. It's on a per diem basis, so there's a reduction in costs.

**MR. J. McCRAE:** Mr. Chairman, on page 28 of the same document, there's a change in the "Professional" line there. Instead of 1.42 staff years, it's 2.42. Could the Minister explain that for me, please?

**HON. E. KOSTYRA:** That position is presently vacant. It is to work - I think there's a note on the sheet that indicates for executive recruitment purposes.

**MR. J. McCRAE:** I take it that position didn't exist last year and this is a new vacancy?

**HON. E. KOSTYRA:** No, that position has never been filled. It's, in essence, a new function.

**MR. J. McCRAE:** The function is executive recruitment. Could the Minister describe what that generally means?

**HON. E. KOSTYRA:** Its original function was to look specifically at executive recruitment which would be the very senior offices of government, the Deputy Minister or equivalent level. In the past, some occasions, there has been extensive searches carried out for those positions and it's felt that there is a need to have that expertise within the government, within the commission, to do that. The position is evolving, and again it hasn't been filled nor posted, but it's evolving to also look at an issue of performance appraisal for Deputy Ministers to have some system in place so that the position is being broadened in terms of its responsibility to also look at that area of executive management.

**MR. J. McCRAE:** Is this the whole thrust of the performance appraisal program for Deputy Ministers, this position, or is there more involved in the performance appraisal for Deputy Ministers?

**HON. E. KOSTYRA:** No, this person would be in charge of the responsibility of developing a system or a

proposal. The actual appraisal would have to be done - well, it hasn't been developed, so I don't know how it would be done, but it would be done by some committee of peers or utilizing the Clerk of the Executive Council as the senior civil servant or some mechanism like that. But that is the person who is going to be charged with the responsibility of developing the appraisal process. Flowing from that would be some system to actually do that for Deputy Ministers.

**MR. J. McCRAE:** But is it fair to suggest, Mr. Chairman, that this opening up of this position is the first thing that's been done and the only thing that's been done towards developing performance appraisal for the Deputy Minister level in the government? This is the first and only thing that has been done in that direction?

**HON. E. KOSTYRA:** The simple answer would be yes. Before this, there has never been any formal mechanism at any point in time for performance appraisal of Deputy Ministers. There is a mechanism in place with respect to the rest of the staff, but, of course, that is done through the Deputy Ministers as the senior management of the departments and there has never been any effective mechanism to deal with it at the deputy level. So this is to bring that into a stage for a decision.

**MR. J. McCRAE:** Does the department have any concrete plans to fill this vacancy soon and to get on with this process? I believe it's an important process, even for Deputy Ministers, and I think we should get on with it.

**HON. E. KOSTYRA:** We expect to be moving on this position sometime early fall so that it'll be in place in the latter part of the fall.

**MR. J. McCRAE:** Mr. Chairman, almost at random, I have identified something on page 33 which may be to cover a number of other situations in answer to this one might suffice, dealing with supplies and services and office supplies and printing. We have a figure of \$44,600 in the Classification and Staffing Section, which is the same figure for last year.

Could the Minister tell us what that \$44,000 is used for and what it's expected to achieve, and what the results should be?

**HON. E. KOSTYRA:** In general, it covers office supplies as it indicates. The kind of things that would be under that would be the normal office supplies for the running of that office, plus all the printing of materials for competitions, forms that are used for competitions, the bulletins. All those kinds of things - job descriptions, job specs - would all come under this area of expenditure.

**MR. J. McCRAE:** Do I take it that if we look deep into the books of the department that we could find out as an average over the last few years how much would be spent to do the printing that the Minister has referred to? It's a large figure and I just wonder how much of that money would be used to supply furniture and office supplies to an office that has, as indicated here, 13 people in it?

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**HON. E. KOSTYRA:** It would not include equipment. Equipment is the next item just right under that. It's just basically supplies. But again, this branch is the one that looks after job postings, those kind of things throughout the government. So they would see a lot of the printing of the various forms that are used for those purposes throughout the government.

**MR. J. McCRAE:** Mr. Chairman, it's just that these kinds of items are very hard for me or for members of the Opposition to pin down. It's no fault of the government's. It's just that these are the kinds of things, sort of the nuts and bolts, that when people ask us what would we do differently, well, it's pretty hard to make a definitive answer when there's so much expenditure in government that it's almost impossible to sort out; but I just wonder if there aren't ways to bring about more efficiency and more savings of dollars in areas like that.

For example, on page 35, we have for the Counselling and Support Services, equipment rental/maintenance, \$52,800.00. Now there may be something different about that. Obviously, there is because it was less than that a year ago. Maybe the Minister can tell me why that figure should be increased so much for the Counselling and Support Services component of the department.

**HON. E. KOSTYRA:** This is a new area or a new branch. The provisions for the additional monies here, in dealing with Affirmative Action, particularly in the area of the disabled, is to have the ability to purchase or rent equipment that might be of value in terms of Affirmative Action hiring or promotion; as an example, a hearing device for a phone or some other minor equipment modification that may take place as in with typewriters or other such things; also having a service to put the bulletins so that they're available for the blind on the service, those kind of things.

**MR. J. McCRAE:** But I don't think that's anything new. Is this not an ongoing kind of program to upgrade services available or to people who are the subject of Affirmative Action Programs? Is this a brand new idea doing these things and, if it is, maybe the Minister can point it out to me, but I think I missed the press release.

**HON. E. KOSTYRA:** This was part of the change that was announced some time ago of moving Affirmative Action into the Civil Service Commission and this is a new area, indeed, yes.

**MR. J. McCRAE:** And there's no budget set up for this. This is just an amount set aside to cover, or are there actual orders for these types of equipment and services in now?

**HON. E. KOSTYRA:** It's set up to have the ability to deal with requests as they become known to us. As an example, if there is a hiring or promotion that does take place that's in need of this equipment, then those funds are available. There isn't a specific allocation for it until there's actual demand for that.

**MR. J. McCRAE:** There was an Adjusted Vote in 1986-87 for \$12,800.00. Does the Minister know what the actual was for that line?

**HON. E. KOSTYRA:** That would be the actual cost for that portion of the year when it was set up. It was in the latter part of the year, so it would have been the initial costs of setting it up.

**MR. J. McCRAE:** Again, under the Employee Assistance Program covered on page 38 of the Minister's supplementary material, we have a professional being paid \$74,200 - sorry 1.46 professionals - being paid \$74,200.00. What do those professionals do?

**HON. E. KOSTYRA:** Again, the way the system is set up, it's not 1.46, that's one person and 46 weeks of a 52-week year. Don't ask me why, but that's the way partial SY's are determined, on the basis of the weeks. What it is, it's basically two professionals who are in the Employment Assistance and Employment Counselling area. One works full time, the other works 8 days out of 10, which comes out to 46 weeks out of 52.

## INTRODUCTION OF GUESTS

**MR. CHAIRMAN:** While you're taking a break, may I announce the class from St. Boniface College under the direction of Mr. Daigneault, representing St. Boniface under the Honourable Minister of Health. Welcome.

**MR. J. McCRAE:** Mr. Chairman, may I just add, for the benefit of our visitors, that what we're doing, just because there aren't 57 members here today doesn't mean that all 57 aren't vitally interested in what we're discussing here today. We're discussing the Estimates of the Department of the Civil Service Commission, and the other members have other things to do or else I'm sure they would want to be here, too.

**A MEMBER:** And there is another committee.

**MR. J. McCRAE:** There is another committee going as well.

On page 45, the Temporary Assignment Program, I have a couple of questions for the Minister. There are seven people, as I understand it, on the Temporary Assignment Program according to the supplementary material.

I'd like to know who those people are. I mean their names if the Minister has that list handy.

**HON. E. KOSTYRA:** Mr. Allan Barker in the Department of Industry, Trade and Technology - he's working on economic development opportunities; Mr. Alex Pursaga, also in the Department of Industry, Trade and Technology, working on economic opportunities in the service sector; Mr. Ron Johnstone working in the Attorney-General's Department on organizational reviews; Mr. Joe Cels who is working in the Community Services reviewing social allowance administrations; Ms. Roberta Ellis-Grumfeld who is before us right now; and there are two vacant positions.

**MR. J. McCRAE:** Mr. Chairman, is there no other place in these Estimates for the Pay Equity Commissioner? Is the Pay Equity Commissioner not a full-time position?

**HON. E. KOSTYRA:** Yes, it's a full-time position. Again, we were dealing with that on page - whatever it was - when I pointed out that there was - she found that line where it showed one salary position and \$103,000 and this is where the SY shows. Again, if you would look at the specific departments like Industry, Trade and Technology, they would not show the SY's for those two individuals, Mr. Barker and Mr. Pursaga, who I indicated worked for the department. Their SY's are shown here. However, the dollars to pay their salaries are shown within the department and that's why there is a recovery.

The idea is that these are temporary assignments, and in the case of the Pay Equity Commissioner, she is working full time. It's also anticipated that's a temporary assignment because once pay equity is implemented within the Civil Service Commission, the need to have a full-time Pay Equity Commissioner will not be there so that temporary assignment will conclude.

**MR. J. McCRAE:** The two vacant positions on Temporary Assignment Program will be filled, or more if necessary, depending on the needs of the various departments for assistance?

**HON. E. KOSTYRA:** Yes, they are based on a request from the departments. They come up with the temporary assignment. They also have to come up with the dollars and then the salary position is allocated. So two requests could be fulfilled if they were forthcoming.

**MR. J. McCRAE:** Mr. Chairman, turning to Negotiation Services on page 47 of the supplementary material, there is an increase for this year in the SY's of one staff year, and that's to meet the increasing demands for labour relations and consulting services for government boards, agencies and commissions. I take it that has to do a lot with the fact that negotiations will be conducted this year and that staff person would be required to assist in the strategy we referred to earlier in the actual negotiations as well?

**HON. E. KOSTYRA:** No, it does not relate directly to this year's bargaining. It's a recognition that this branch has had increased demands placed on it for negotiating services. In the last number of years there's been an additional 20 contracts that it has provided assistance on. This branch deals with negotiations with the government directly, with all the direct government bargaining agents, the MGEA, the MMA, the engineers, whatever union they're in now, the new union for the government engineers.

It also works extensively on demand or on request for other government agencies that are not directly within the Civil Service but who have a significant or close relationship to the Civil Service or to the government, and those agencies call upon the services of this branch to provide negotiating services. In fact, we encourage it because it ensures that there's consistency of labour-relation activity, compensation, personnel policies in areas related to the government.

They're mostly the smaller agencies such as the Museum of Man and Nature, Manitoba Agricultural Credit Corporation, Crop Insurance, Vegetable

Marketing Board, Provincial Housing Authority, those kinds of agencies. The larger ones such as Hydro or Telephones have their own staff in place so they do not call on the direct services, although they do consult.

**MR. J. McCRAE:** I think, Mr. Chairman, I'd like to deal now with the professional services referred to under Compensation Services, on page 49.

Last year we budgeted for \$140,000 to be spent on professional services, and this year, \$70,000.00. What reports were prepared for the department in '86-'87 which were paid for with the \$140,000 budgeted?

**HON. E. KOSTYRA:** The major area of costs here and the reason for the reduction is that most of this was used to utilize the services of professional consultants on the development of the Pay Equity Program. External consultants were engaged, Hay Consultants.

There are other areas that are covered under this on smaller costs or smaller levels. As an example, from time to time, we engage actuarial advice, professional advice on costing of employee benefit plans, and other areas like that.

**MR. J. McCRAE:** Turning to the Civil Service Superannuation Plan, this year there's an expenditure set out of some \$15.5 million as opposed to \$13 million last year. Does this mean - well maybe the Minister can tell me what it means - there's a fairly sizeable increase under that line. I'm looking at page 50 of the supplementary material, but it's also in the Estimates Book.

**HON. E. KOSTYRA:** I'm not sure if the member is aware of the way the Provincial Government deals with pension costs. It's somewhat different than exists for the private sector, and that is that these are 50 percent of the actual costs of the pension benefits of those employees who are actually on pension right now. The government does not put aside funds for employees' pension on an accrual basis year by year, at least not up until the present time. There's a review under way with respect to this issue on a national level through the Canadian Association of Chartered Accountants, public sector chartered accountants, because this is a problem or concern with other governments. But what we do is pay out basically half the costs of those that are on pension.

The increases relate to the following factors: New retirements, people who commence retirement during this year; the costs are related to increases in existing pensions. There's a cost-of-living adjustment in pensions annually in July. The increase was about 4.35 percent. There's also some costs related to items resulting from pension reform, dealing with paying one-half the computed value of pension benefits which are transferred to a spouse on the breakup of a marriage and other such things as that.

**MR. CHAIRMAN:** For the purpose of orderly procedure, are there any more questions on Resolution No. 27? Are we ready to pass that resolution? -(Interjection)- Okay, let's do it first.

Items 1.(a)(1) to 1.(e)(2), inclusive, were each read and passed.

Resolution No. 27: Resolved that there be granted to Her Majesty a sum not exceeding \$4,451,700 for Civil Service, Civil Service Commission, for the fiscal year ending the 31st day of March, 1988—pass.

Now we are on Item No. 2., Resolution No. 28, Civil Service Benefit Plans. I'll call all of them so the member can have some flexibility in asking questions.

2.(a) Civil Service Superannuation Act; 2.(b) Canada Pension Plan; 2.(c) Civil Service Group Life Insurance; 2.(d)(1) Workers Compensation Board: Assessments re Accidents to Government Employees; 2.(d)(2) Less: Recoverable from Other Appropriations; 2.(e) Unemployment Insurance Plan: Government's Share of Premiums for Government Employees; 2.(f) Dental Plan; 2.(g) Long-term Disability Plan.

The Member for Brandon West.

**MR. J. McCRAE:** Mr. Chairman, last year, the government was looking for some \$3 million for Workers Compensation. There was some discussion about the amount that was really needed at that time.

What was the actual in '86-87 for that? Because this year it's down to \$1.6 million. Following on the questions asked last year about the \$3 million that was needed, I would like to know what the actual was.

**HON. E. KOSTYRA:** I'm afraid I can't give a specific answer. There is in the annual report, the variance shown for the whole area, which showed that actual expenditures were about \$3.4 million less than what was budgeted for, so that overall we actually had less expenditures than anticipated. But I'm afraid I don't have that broken up by each area. I can take that as notice and provide that subsequent to the member, the detailed amount. I would just make the obvious comment that there was . . . I'm sorry we just did - \$2.6 million for 1986 - we found it in the book. So that was somewhat less than what was budgeted. We anticipate the experience this year to be somewhat less again.

**MR. J. McCRAE:** Well, actually, Mr. Chairman, that \$2.6 million is higher than I thought it would be. It seems we were kind of thinking it would be around \$2 million a year ago. If it's 2.6, it is higher. Then the Minister said that, at budgeting at \$1.6 million this year, that he expects that to be on the high side too, the \$1.6 million. Have I misunderstood?

**HON. E. KOSTYRA:** No I didn't. I would hope that's on the high side. I would hope that any expenditure in government is on the high side, and that we're below that. But I can't say that in this regard, that that is what we expect to be the actual cost.

**MR. J. McCRAE:** With respect to the levy for health and post-secondary education, Mr. Chairman, with the amount the government . . .

**MR. CHAIRMAN:** Are we ready to pass Resolution No. 28?

**MR. J. McCRAE:** I'm not in any big hurry, if the Minister is not, Mr. Chairman. We're not going to be much longer.

**MR. CHAIRMAN:** Okay, let's do it so we can be orderly.

Resolution No. 28: Resolved that there be granted to Her Majesty a sum not exceeding \$46,108,700 for Civil Service, Civil Service Benefit Plans, for the fiscal year ending the 31st day of March, 1988—pass.

Item No. 3, Levy for Health and Post-Secondary Education - the Member for Brandon West.

**MR. J. McCRAE:** Mr. Chairman, I was just about to talk to the Minister for a moment about the amount of money the government charges itself on the payroll tax. I did this last year too. Instead of some \$7 million, it's now jumped up to \$12.5 million that the government expects to charge itself for payroll tax.

As I said last time around, this is foolishness and the Minister knows it too, and I guess there's not a darn thing he can do about it because he's required to charge all employers, including itself, a tax that . . . It's really quite laughable. In order to collect from itself \$12,507,800 - I'd like to ask the Minister how many people are required to collect that \$12 million in terms of the administration of the health and post-secondary education tax?

**HON. E. KOSTYRA:** I'm told that it doesn't require any resources to effect that transfer of funds.

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

**MR. C. MANNES:** Mr. Chairman, last night when we were completing the Estimates for the Department of Finance, the Minister and I engaged in a discussion related to the negotiations taking place at this point in time between the government and the Manitoba Government Employees Association with respect to a new contract.

I know my colleague, the MLA for Brandon-West, who has been leading this discussion, has asked some questions on this matter too.

I would ask the Minister of Finance if he could indicate to the Legislature as to what a 1 percent increase in salary over the last half of this fiscal year would mean to the total wage bill of government? Obviously the Minister indicates that at this point in time the Estimates have locked in at zero percent. They haven't locked it in, but the indication they give us is that on the salary items, indeed the costs of the Civil Service, reflects a zero percent increase from October 1 to the end of the fiscal year.

Can the Minister tell me what a 1 percent increase would mean over the remaining six months of the fiscal year?

**HON. E. KOSTYRA:** The total payroll is about \$480 million, so it would be about \$2.4 million.

**MR. C. MANNES:** On the same point, when will the public know of the agreement that has been struck with the Government Employees Association?

**HON. E. KOSTYRA:** Once it's concluded, the negotiations have not as yet commenced. Earlier in these Estimates, I indicated that we would expect an indication from the MGEA that they wished to commence bargaining within the next few days and bargaining would commence within the next few weeks.

**MR. C. MANNES:** Then conceivably, could that bargaining go into the 1988 calendar year?

**HON. E. KOSTYRA:** Sure, anything is possible. I guess it's even conceivable that we could conclude a settlement very quickly prior to the termination date of the agreement. I don't think that is necessarily feasible, given the past history of collective bargaining, and it's possible that if it's protracted that it could extend for some period of time into the future. At this point, that's just mere speculation.

**MR. C. MANNES:** I understand that we're in the realm of speculation. But is the Minister also saying that if those negotiations take place well into 1988, conceivably the retroactivity that may or may not be built into any agreement might not have to be costed out in this fiscal year at all? Indeed, it may be costed out in the next fiscal year.

**HON. E. KOSTYRA:** Yes, the salary costs are paid out on the actual basis, so if there's no conclusion to an agreement to the next fiscal year, then nothing would be paid out by way of an increase in this fiscal year.

If there was a retroactivity - even though those costs would be going back some point in time - they would be charged in the year that they were paid out.

**MR. CHAIRMAN:** The Member for Brandon West.

**MR. J McCRAE:** I think we can pass these Estimates now, Mr. Chairman.

**MR. CHAIRMAN:** Item No. 3.—pass.

Resolution No. 29: Resolved that there be granted to Her Majesty a sum not exceeding \$12,507,800 million for Civil Service, Levy For Health And Post-Secondary Education, for the fiscal year ending the 31st day of March, 1988—pass.

That concludes our Estimates for the Civil Service.

## SUPPLY - NORTHERN AFFAIRS

**MR. CHAIRMAN, C. Santos:** We are starting the consideration of the Estimates of the Department of Northern Affairs. We shall begin with an opening statement from the Honourable Minister responsible for the department.

The Honourable Minister.

**HON. E. HARPER:** Thank you, Mr. Chairman.

This year, I have the honour and privilege of forwarding the Estimates for the Department of Northern Affairs. This was -(Interjection)- I did. Also the Estimates of the Department of Northern Affairs includes the Estimates for Native Affairs.

This coming year, Northern Affairs will utilize a total of 145 staff years and \$26,381,100 to deliver its programs to the 54 non-status communities within our jurisdiction.

I'd like to elaborate, first of all, as being Minister of Northern Affairs responsible for all the Northern Affairs communities, and also as Minister responsible for Native Affairs, the communities that I am responsible for are primarily reserves and also Native communities, remote

communities, that are isolated generally from society, away from much of the benefits and also resources from the mainstream society.

I would like to indicate that the condition of those reserves and communities is not up to par as to the rest of the other communities in Manitoba and generally across this country. We have tremendous social problems in those communities. I don't need to elaborate on many of the conditions that do exist or the lack of services and the lack of opportunities and the results of that lack of opportunities that many of the communities face. We have many of our Native people in institutions as a result of any kind of activity or opportunity that they may not have in those communities.

We have, as stated in the statistics, Native children drop out at a very high rate compared to the national average. I believe that about 60 percent of the Native children drop out before they achieve even Grade 8. Of those 40 percent who go on to achieve a level of academic achievement, only 10 percent reach that level. The conditions that do exist, because unemployment reaches sometimes well over 90 percent in some communities, and that is basically a challenge that I have, and also as a member of the government, to see that these communities do have some opportunities, have some hope and are able to be part of the society.

That is the reason why I've been involved in this Legislature as being a public service - I have also been a former chief for a number of years - is to improve the quality and the standard of life in those communities. I've been very privileged and honoured to have been sent here by my constituents and also a greater honour to be part of this government, to be part of Cabinet, to seek some changes in the lives of the people in these remote and isolated communities.

The challenge is not going to be done overnight. Mind you, the affairs and the relationship of Native people have been here since the first day the Europeans arrived here. The Native community has not benefited from any resources that they've had here since then.

I feel that the governments in the past have not put the agenda of Native issues, the struggle of Native issues, on the priority on their Cabinet paper or in governments. If I can just mention that it was only about 27 years ago or so that it was the first time Indian people were given the right to vote, and it wasn't very long ago - I believe the man was a progressive man and he believed in that.

I hope the members opposite share that where we have been held back from participating in a democracy which we didn't take part in for some time. I might say that prior to being involved many of the issues weren't dealt with, not necessarily from a Native perspective, but rather from a different set of values and thoughts. Things were entrenched to promote this young country, at the same time ignoring the original people, the aboriginal people of this country.

The Federal Government, because of its lack of will to implement its promises, as a result, Native people never actually benefited from it, to include the treaty rights, the right to hunt, the right to fish, and as a result of our lack of involvement in Parliament to be able to challenge the legislation, that opportunity didn't exist there. So, as a result of many years of rulings by judges, things were set in precedence that it was very difficult to unravel the injustices that were done to Indian people.

But I might say within the last few years that political development of Native people has arisen, as was evidenced at the constitutional conference in Ottawa over the last five years. For the first time, aboriginal people were there to participate with the rest of the Premiers and the First Minister, but yet not on equal basis because they were just invitees of the Prime Minister.

Yet I feel somewhat hurt and slapped in the face because, when we were dealing with the Meech Lake Accord, they were able to accommodate Quebec, not that I have anything against Quebec being part of Canada, but the role the Prime Minister should have played to uphold its first inhabitants of this country, the aboriginal people. Yet he went to extremes just to try and get an agreement, at the same time abandoning the positions as a leader of this country, some of the issues that he should be dealing with at the national level. One is, of course, the aboriginal rights, the other one being the national programs which should be vested in the Federal Government. I felt that the political will wasn't there by the First Ministers.

Certainly, this province and our leader pressed those issues on behalf of the Province of Manitoba and the aboriginal people of Manitoba to ensure that the rights, the treaty rights and the aboriginal rights, are still protected. We will be dealing with this matter on the Meech Lake Accord once it's in the hearings. I look forward to some positive comments and contribution by aboriginal leaders and also from the members opposite in ensuring that the aboriginal and treaty rights are protected.

There's also some, I guess, what I call a recognition of the aboriginal people to be able to make their own decisions, able to determine their future. That was one of the obstacles that we didn't achieve at the First Minister's Conference, which is the right to self-government. Many people view self-government as something that they don't understand, but basically it is ability to make your own decisions. The Federal and Provincial Governments have to accommodate that, where no longer the communities would be dictated by the governments. There should be some control of their lives by themselves, control of their territory, and those are some of the things that we can do.

Dignity is something that cannot be given out, cannot be handed out. It has to be developed by the people themselves, but we have to allow some flexibility and resources to accommodate that. For too long, Indian people have said, government and bureaucracy control their lives and they don't want to be part of the burden of the society. They want to be able to control and also build a better future for their communities and also for their children.

Over the last while, I've been attending some graduation ceremonies. I was up in Norway House a couple of weeks ago, where I saw about 13 graduates from high school. Just more recently, I attended this past weekend another graduation of a northern nursing program, which 13 students graduated from nursing. Previous to that, last year, there were another, I believe, 13 or 14 graduates in the North. So we're gradually building professional people.

Not only that, about three weeks ago, I also attended a ceremony or maybe a celebration where three Native women got their medical degrees. For the first time,

we have three Native people who are medical doctors. Next year, I understand there's going to be another person graduating with a doctorate degree, another one being a pharmacist, another one a physiotherapist. So we're building and also setting up role models for many of our young people.

In a couple of years, through the Department of Engineering, we'll have the graduation of, I believe, maybe 16 Native engineers. So I see some hope, some confidence in our communities. I've always said that to develop the communities is not necessarily throwing money at the problem. There has to be some program, some sort of human development taking place.

I can cite you an example. I heard on a radio program on CBC about the high suicide rate amongst reserves, and there was one particular reserve that was mentioned - I believe it was in Alberta - where they have money derived from their oil revenue funds, where the average Indian person maybe at the age of 18 receives a certain amount of money. I think it was maybe over 10,000.00. Then for the rest of their lives, they receive so many dollars. Yet that community, that reserve has still the highest suicide rate in Canada.

Those kinds of things exist in many of the communities that I represent. I have experienced that, because even my personal family has been involved in those kinds of things. I do feel the lack of development, the level of frustration on behalf of the communities. Yet there is still a lot to be done. That is why I say, in the development of our goals and objectives, that we will direct these resources towards improving the lives and the quality of life in those communities.

Over the last past year, we have been dealing with the Native Affairs, trying to develop a program policy for the government, and coordinating the activities so that the Native issues would be dealt with consistently within the government, and I might say that within Northern Affairs we're continuing to work on issues like the Northern Development Agreement. I had meetings with the Minister responsible for the Northern Development Agreement, the Hon. Mr. Valcourt, in March and also in April for N.D. and also for Special ARDA and to continue for another couple of years.

I hope that the Federal Government will come forward and - well, to date, I haven't received any commitment in respect to NDA. I have had authority from my colleagues to execute the agreement for an extension, but the federal department hasn't come forward to say that they are willing to sign the agreement extension, and now I hear that it wouldn't be until September.

As a matter of fact, under Special ARDA we did sign a two-year extension, but the money is not coming forth. So I have some concerns on these two items. As a matter of fact, I sent a telex to the Minister responsible for these two agreements to see what the problem is.

Also, we've been working with the Native communities within the jurisdiction of Northern Affairs where we would like the communities to be more responsible to achieve some sort of administrative status and a greater control over local government matters. Some of the communities are coming on board and one of our goals is community incorporation. Some of the communities will be looking at that and we are dealing with them on those matters.

Of course, we are still committed to negotiate the Northern Flood Agreement and there have been several

meetings that have been held to develop the agenda. The officials have gone back to their respective peers to get some direction and basically have been meeting with my staff to see the direction that we're going to take and be forwarding some recommendations to my colleagues as to how we may resolve this Northern Flood Agreement.

As you know, it's a full party agreement where, as a Provincial Government of Manitoba, the Manitoba Hydro, Department of Indian Affairs, the Federal Government and the Indian bands go out on these talks. So over a short period of time, we hope to resume some of these talks again and get a better understanding as to how we're going to achieve this agreement.

The other area that I want to review was just in terms of Native areas. As you know, the policy wasn't really fully developed, how to deal with many of the Native issues. What I find is that many of the issues that we're to try and deal with are not really established in terms of jurisdiction. We seem to run into problems with who was actually responsible for certain areas, for instance, child welfare, where we have federal jurisdiction on one hand, where the federal funding is coming, and at the same time where we do provide some monies.

Although the Federal Government has the primary responsibility for the reserves' treaty Indians, the province still has some responsibility because the Indian people still pay taxes. They are still citizens of the Province of Manitoba and they do contribute to the province in terms of paying taxes and as citizens.

So there is some responsibility that we should provide, but I'm very careful to see that the Federal Government is not off-loading some of its responsibilities onto the Provincial Government. There have been cut-backs in certain areas by the Federal Government. That was indicated some years back when the Nielsen Task Force was introduced.

As a matter of fact, I took some names to the Minister of Indian Affairs at that time, saying that there shouldn't be any cutbacks and that the area of Indian issues wasn't an area that should be cut back. As a matter of fact, it should be enhanced.

We see evidence of the Federal Government cutting back in the areas of Health, Education, and some of the funding that's going to organizations are being cut back in areas of Health where the transfer of control is being negotiated with the bands.

Whether they get adequate funding or not, I feel that they might be misled. For example, what's happening in child welfare where there's inadequate funding, presently, to accommodate the needs and the essential services that are being delivered by the Indian Child Family Services Agencies?

As a matter of fact, the Federal Government is reneging on its original agreement to negotiate. It is evidenced by many of the visits that I make to the reserves. They tell me directly that they've cut back.

One is of course in Health; the nursing homes will no longer be funded by the Federal Government. And in Education - they're indicating to the bands and to the education authorities that they should start listing the priorities of students who they would like to indicate who should be attending post-secondary institutions.

Also, they should be picking up some costs in respect to treaty Indians who live on the reserves, and also

more of the treaty Indians who live off reserves because their policy has been that Indians who live off the reserves become the provincial responsibility, or the municipal governments pick up the tabs for these treaty Indians.

But treaties were made with the Indian people and promised certain services in Education and Health, and treaties don't end at the reserve boundary. I think you're a treaty Indian no matter where you live, and that's one of the things we're trying to develop in terms of policy as to the federal responsibility.

We have a bill here in terms of child care fees that we directly spent on treaty Indians alone - about \$17 million which the Federal Government would not pay. I see it as being ultimately a federal responsibility, but what needs to be done is more work. That's the challenge that I see being done, the goals that we have to achieve, and I often feel that the conditions on reserves cannot be ignored by governments, ignored by anybody. It's a shame that these conditions do exist. I often say that the most well-off people in this country should be the aboriginal people, but that is not the case. We have not shared the resources, not shared any kind of benefits, have not been part of this democratic process for a long time - just recently.

We weren't able to defend ourselves; we weren't able to enforce these laws because we didn't have institutions; we didn't have the forces to deal with it or the judges to deal with those problems, but we are making headways and this is only the beginning.

Although the Constitutional Conference failed to recognize self-government and also other matters dealing in the Constitution with respect to treaty and aboriginal rights, it is a process that will be continuing and I see aboriginal people coming forward. I recently indicated there are more and more young people graduating from school, graduating and going to post-secondary education, and that is the key to strap ourselves out of the conditions that we live in.

I look forward to some of the questions from the Opposition members or of my critic on Native Affairs and Northern Affairs for some of his comments. With that, I'll be very pleased to look forward to Estimates with Northern Affairs.

**MR. CHAIRMAN:** We shall now wait for the reply from the Opposition critic.

The Member for Arthur.

**MR. J. DOWNEY:** Thank you, Mr. Chairman.

I thank the Minister for his opening comments, and I must say I don't know whether his strategy is that the best way to use up his Estimates time is to filibuster his own Estimates, or whether or not we are in fact going to get any chance to ask any questions, because I understand the time which is allocated is rather limited; and I would think that by the time I get my opening statement out that probably it will be time to pass his Estimates and he would get off the hook fairly easily.

Mr. Chairman, I want to respond to some of the issues which the Minister opened with in his opening comments and pay some particular attention to some of the expenditures which he is carrying out and, as well, some of the activities within the Department of Northern and Native Affairs.

Mr. Chairman, I think it's important to note in the Estimates Book when we look at it, if one judges or estimates the progress of any department by an increase in expenditure and an increase in staff.

Mr. Chairman, when one looks at what has happened within the Native Affairs secretariat, we have seen an increase of five staff over from last year to nine staff this year. We've seen an increase from \$619,200 to \$1,087,200 and if one were measuring a progress by an increase in staff and the increase in dollars, one would say that he's done very well.

But, Mr. Chairman, one has to go to what activities have taken place within the Minister's department; and I go to the press releases out of Native Affairs and all I've been able to find out is one, that he is pleased that he is announcing 54 kilometres of road - that's in 1986 - on a winter roads program.

I have to say, Mr. Chairman, that I'm extremely disappointed in the Minister, the opportunities that he's been given, to advance, not only his people, the Indian people of this province, but - he hasn't had much time to, I'm sure, within the Northern Affairs department - but I think he has the opportunity - and I've said this to him privately, and certainly he has concerns, and we all have concerns about the low education standards of some of the people that he's referred to, the living conditions which he's referred to, the difficulties with suicides, the difficulties with children, child abuse, and general conditions on reserves.

Mr. Chairman, I want to tell you, and I want to tell the Minister, that the Progressive Conservative Party is equally as concerned as he and his government, Mr. Chairman, if not more. And I say that in all sincerity because I don't believe that he has really had the ear of the Premier; I don't believe he's had the ear of his Cabinet colleagues, or caucus; I don't believe there's the sincerity to help his people and better his communities within his group as he is. I don't believe the Premier's as committed to the total development as he should be.

Yes, I think there's lots of lip service paid by the Premier; I think there's lots of lip service, but really a genuine move by him, by his government, to assist him in bettering the conditions of the Native community, I think, are absolutely deplorable and I want to make it very clear and put it on the record.

And I'll back that up, Mr. Chairman, because I believe, after being in office for as long as he has been, that there should have been more evidence, more results and policies and White Papers developed by this Minister and his department, and this government, to show his communities that he is truly a leader amongst them.

And I make one case because I believe that there is a genuine feeling by the majority of the people of Manitoba to help the Native community to help them regain their pride; and that's really where it's at, is to regain their pride, because once a person has had that knocked out of them, had that feeling of advancement for the betterment within themselves, then one can see that difficulties lie ahead.

I believe, and I make this recommendation to the Minister and to this Assembly, that the Minister develop a series of legislative committee hearings throughout Manitoba dealing with Native Affairs concerns; dealing with the concerns of Native children; dealing with the

concerns of education. Let us, let the Legislative Assembly, which he has the power to recommend and to establish within his department, have a series of, say - and I make this without a lot of time-frame thought - a series of four meetings properly placed throughout Northern and southern and central Manitoba - a series of legislative hearings so that we can develop together policy positions and better use the funds and the resources of government, to put in place programs and projects, to revitalize, to bring back the pride, to say to them - in a meaningful way - we want to make sure you are the determiners of your destiny.

But, what we have seen, we've seen a deviation from that, Mr. Chairman, we've seen a deviation from that by this Premier and this government, and other governments throughout Canada, say the big issue is self-government, the big issue is self-government.

I don't honestly believe that, Mr. Chairman. Yes, I can appreciate that there is a feeling which nobody has been able to, by the way, define for me, or this House, or sit down and say self-government means this, this and this. It's a nice overall encompassing word, but really we haven't really had anybody show us, in any meaningful way what self-government means.

But I think we could accomplish a lot more if we joined together with provinces and with the Government of Canada and through the leadership of this Minister to say I believe what we have to do is get out amongst the people who we are talking about providing self-government for, and yes, talk about self-government - let's find out what it truly means.

But at the same time, let's use our resources and our energies to try and find some resolve, some resolutions for the children, for their educational problems, and for the other problems of their standard of living which has been brought to our attention. I say, in a meaningful way, and he does have the resources that we're voting here today, to do it.

I would be quite prepared and quite happy as Native Affairs Critic, Mr. Chairman, to participate in a legislative committee that had the opportunity to go throughout the province, and listen to those communities, not bring them to the committee rooms so that they feel uncomfortable. Let's go to their community where they do feel comfortable, and they do tell us as people of Manitoba and as Canadians, as they are. They're no more or no less a Canadian than I. Let us sit down and jointly work to some meaningful resolution of their problems, rather than to say, the main issue before the Native community and the people of Canada is self-government, which truly hasn't been identified. So I leave it at that, Mr. Chairman.

I do support this Minister in using provincial funds in just doing precisely that, as a legislative committee hearing throughout the province, to try and determine from those communities, from those people who are so affected as he has indicated, and we all know they are, some of the solutions together.

So I leave that as a recommendation to the Minister. I would, as well, like him to explain what the additional staff are doing within his department. I would like him to explain as well, what the additional monies - that's a tremendous increase, that's a tremendous increase when you look at last year's estimates of 619,000 - almost a doubling of the amount of money available to him. At the same time, we've seen a reduction in

Northern Affairs. I'd like him to give us some kind of indication as to why the reduction in expenditures.

Mr. Chairman, I will try and cover in as effective a way as I can, but I want to deal with another concern that I have. That deals with the Deputy Minister situation within the Department of Northern Affairs. Mr. Chairman, we had Mr. John Morrisseau, who was the deputy for several years, who, when he came to the Department of Northern Affairs, I know had some financial difficulties. I'm, Mr. Chairman, reading now from a press release that the Premier has put out that Mr. Morrisseau, on behalf of the people of Manitoba, the people of Northern Manitoba, I would like to thank Mr. Morrisseau for his dedicated service as Deputy Minister of Northern Affairs.

Now we have an Acting Deputy Minister, Mr. Lloyd Girman. I wonder if the Minister could tell us when Mr. Girman, and if Mr. Girman will be made a permanent deputy of Northern Affairs. Are they unable to find a deputy who is appropriate? Why the acting status? Will it be made permanent or are other people being looked at?

But when I'm dealing with Mr. Morrisseau, Mr. Chairman, I have another question as well. I understand the deputy's salary, and I don't have it precisely right before me, Mr. Chairman, but I understand the deputy's salary was something in the neighbourhood of \$50,000 to \$60,000.00.

Mr. Chairman, I would ask the Minister as to what type of living accommodation that Mr. Morrisseau was living in? I would ask for the Minister to check out and provide the information. I'll make a comment, and he can tell me if I'm correct or incorrect. But I understand that Mr. Morrisseau was living in a form of subsidized government housing, of which there was a maximum as to how much money that an individual, who lived in that housing could actually be making.

Could the Minister respond to that - that we had a former Deputy Minister of Northern Affairs, being not only paid for by the taxpayers, but living in taxpayers' subsidized housing? I ask the Minister to provide that kind of information. Is that the reason why the Deputy Minister quit? Was he forced to quit? Or, as the First Minister said, he resigned to go on to other things?

Mr. Chairman, I would like to, as well, find out from the Minister, dealing with employees, the number of contractual staff that he has versus term and permanent civil-service-status staff. I'd like to know what the hiring practices are for those individuals. I'd like to know each contract that has been provided, who it has been to and the benefits that go with those contractual agreements because I think it's extremely important, particularly when we see the kind of activity and emphasis placed on development in the north that we know precisely what has happened.

I want to know as well, Mr. Chairman, how much involvement the Minister has had in Limestone and Limestone training projects, how much money is going from the Department of Northern Affairs, and how many staff from his department are actually actively involved in the Limestone training project and involved in the whole hydro system.

Mr. Chairman, I want to as well deal with an area and find out specifically what this Minister did to assist the Interlake Tribal Council in their efforts to attain the former Gypsumville Radar Base, which was offered to

the Government of Manitoba for \$1, and take over all the assets. I'd asked the Minister of Natural Resources some time ago. I'd like to know where this Minister stood and where that agreement is at today. Have they been accommodated or have they not?

Mr. Chairman, the whole issue of hunting and fishing rights, I am concerned that we have never had, coming from this Minister of Northern Affairs, a clear statement as to where he stands as a Minister of the Crown and where he stands as a Minister of Native Affairs on behalf of the community which he represents. I would hope, Mr. Chairman, that we would get a clear policy statement as to where he stands on the whole issue of fishing and hunting rights out of season, whether or not he feels that the Native community should be given unlimited hunting rights throughout all times of the year, or whether in fact he supports the Department of Natural Resources - and yes, Mr. Minister of Labour is doing a little coaching from the back.

Well, that kind of bothers me, Mr. Chairman, because I think the Minister of Northern and Native Affairs is quite capable of dealing with issues himself. He doesn't need the incompetent coaching and help from a man who has displayed his incompetence in his incredible activities in this Chamber in dealing with the taxpayers' money.

As well, Mr. Chairman, I deplore the Minister of Finance in his degrading of the Native Affairs Department, saying that it was a demotion for me to come from Agriculture to look after Native and Northern Affairs criticisms. I think that he should have publicly apologized to the Minister of Native Affairs. I really feel strong that the Native community and the contribution that they have made and can make to this province are far greater than the plane in which the Minister of Finance has placed him on.

Those are important issues and I am sensitive to them, Mr. Chairman, I'm sensitive. I don't take that lightly, because I'm not spending my time as a legislator for the good of my health. I'm spending it for the good of the province, to try and better northern, southern and all parts of this province - city or rural. I'm trying, Mr. Chairman, to help all classes of people. I've really appreciated the opportunity to have some of the exchanges, yes, both publicly and privately with the Minister of Native Affairs, and particularly some of the opportunities when we were at the First Ministers' Conference dealing with the self-government.

In fact, Mr. Chairman, I would think if the Minister were really looking for an opportunity to excel and to get with people who really believe that he and his people have an opportunity to excel and develop policies, he should look at the party that's around him. Maybe he should consider becoming a Progressive Conservative member, and truly accomplishing something great in his life as a Minister and as a member of the Legislature.

I think, when he refers to the fact that they were given the opportunity to vote some - how many years ago? - 25 years ago, it was a great Canadian Progressive Conservative, John Diefenbaker, who provided them with that right and that privilege. Yes, Mr. Chairman, that's the problem I have understanding today some of the Native community who feel they are compelled to be New Democrats, because I really don't believe the New Democrats have done anything more for the Native people than . . .

Tuesday, 30 June, 1987

**A MEMBER:** Lip service.

**MR. J. DOWNEY:** That's right, lip service, tokenism. I don't think that's fair to my colleague and friend, the member who is responsible for Native Affairs.

I put some questions on the record, Mr. Chairman. I hope the Minister can respond. I don't mind dealing with them all in one lump area. If the Minister doesn't mind, if he wants to bring staff in, he's quite free to do so and we'll go through them all in general debate throughout the whole area.

**MR. CHAIRMAN:** I'll take the honourable member's suggestion.

At this point in time, we invite the administrative staff so we can deal with the more specific questions raised by the critic.

Deferring Item No. 1.(a), relating to the Minister's Salary, as the last item for consideration by this committee, we want now to deal with 1.(b)(1) Administration and Finance, Executive Support: Salaries; 1.(b)(2) Other Expenditures - the Member for Arthur.

**MR. J. DOWNEY:** Okay. He wants to introduce his staff.

**HON. E. HARPER:** I'd like to introduce the staff: first, Lloyd Girman, the Acting Deputy Minister for Northern Affairs; Brenda Kustra, our Assistant Deputy Minister; Rene Gagnon, director of Finance; and Jim Wastasecot, our director of Native Secretariat and also secretary to our Native Affairs Committee of Cabinet.

**MR. J. DOWNEY:** I asked the Minister earlier, dealing with the Executive Support, and he can respond as to whether or not - I said, why the acting position of Mr. Lloyd Girman and not a permanent position. Are they still in the process of looking for another Deputy Minister or are they not going to make this a permanent position as Deputy Minister?

The other question was dealing with the former Deputy Minister. Why did he resign? Mr. Chairman, was it that - and I indicated the questions dealing with housing. It's my understanding that he was living in subsidized housing which, in fact, should have been for people of a lower-income status than your former deputy.

**HON. E. HARPER:** As I previously stated, Mr. Morrisseau left for personal reasons, and I can't make any comments other than that because I never had discussion personally with him as to why he left. That was the only reason given.

In terms of the housing that he lived in, I was informed that he did live in a house that was, I believe, KINU (phonetic) housing. I was advised that it was under an existing or an old agreement. I don't know whether we actually were involved as Provincial Government, and whether there was actually federal input for that KINU housing.

I was also advised that, under the existing policy, anyone can live there but not necessarily at lower rates but to the maximum of the rent. I don't know what

that would have been. I haven't finished questions on the Acting Deputy Minister.

We felt that the position needed to be filled immediately, and we put Mr. Girman in an acting position. We haven't decided yet to advertise or whether to seek for another Deputy Minister. That has to be decided yet and we haven't made a decision.

**MR. J. DOWNEY:** I'll try and be brief, Mr. Chairman, dealing with the KINU Housing. Am I correct in my understanding that the qualifications to live in KINU Housing is that you cannot have or should not have an income of over \$30,000.00?

**HON. E. HARPER:** Well, my understanding was that, under the new guidelines, it would have been a lower-income person should live but, under the old guidelines, if the house was available, the subsidy is not actually there but he pays for the full amount. That's according to the information that I received, but I'll check out the details on that.

**MR. J. DOWNEY:** I thank the Minister for that, Mr. Chairman.

Possibly I could deal with - this question will apply to not only Executive Support but also Research and Planning, basically. I ask for the number of staff, which I probably have here in a small book, but particularly contract staff. How many contract staff are involved in that section, in those two, (b) Executive Support, and (c) Research and Planning.

**MR. CHAIRMAN:** For purposes of orderly procedure, let me call (c).

(c)(1) Research and Planning: Salaries; (c)(2) Other Expenditures.

**HON. E. HARPER:** We have no contract staff except term positions. I have three positions who are Ron Richard, Phil Eyler and Jean Belgard (phonetic).

**MR. J. DOWNEY:** Is that in the Research and Planning, those three individuals, or is that in the Executive Support?

**HON. E. HARPER:** Yes, Ron Richard is in Local Government within Northern Affairs, Phil Eyler is in the Agreements section, and Jean Belgard is in the Native Secretariat.

**MR. J. DOWNEY:** Well, Mr. Chairman, I have a little bit of advice for the Minister. I can't understand why he would allow the Premier and his colleagues to offload one Phil Eyler on him. Mr. Chairman, we've got again the government trying to find homes for their former colleagues.

I would like the Minister to provide for us the job description. I would like him to provide for us the pay range and the benefits that member of his staff gets. This is the kind of thing it invites. The person is not hired on his ability to help and put forward the interests of the Minister, but he's again looking after the interests of the New Democratic Party in the hiring of one former MLA who was defeated. That we take offence to, Mr. Chairman, that he has not gone through the normal

process of hiring, but we've got a defeated NDP MLA who had to find a home, so they imposed him on, yes, the Minister of Northern Affairs because he'll accept him and not say a lot.

Well, Mr. Chairman, I would have thought the Minister would have wanted to be responsible for the hiring of his staff and go through the normal procedure rather than to have the government and the Premier and his Cabinet colleagues dump this defeated candidate on him. I would ask those particular questions, Mr. Chairman.

**HON. E. HARPER:** Mr. Eyler is presently providing support to the Economic Development activities in Pikwitonei, and Thicket Portage and Bissett, and also involved in policy and program analysis. His salary is \$33,800 and he is on term. I'd like to inform the honourable member that his term is coming to an end, and the position will be bulletined before September. There will be an open competition.

**MR. J. DOWNEY:** Mr. Chairman, I thank the Minister. It didn't take him long to take my advice. That was really very rapid and I appreciate that. I will be observing - we will be watching the activities within his department.

Was there not another former NDP defeated candidate that was placed in the Department of Northern Affairs? A federal member? Was there a Terry Sargeant? Is there a Terry Sargeant employed by the Department of Northern Affairs and if so, I'll ask, what does he do, Mr. Chairman, what is his job description and what does he do - and what kind of wages is he making from the taxpayers of Manitoba?

**HON. E. HARPER:** Yes, we do have a Mr. Sargeant working within the department. His current activities include - (Interjection) - he's writing research, planning and policy development within Northern Affairs, long-range strategic planning for the department, economic development planning, land use planning, and also the department is involved in - which he is responsible for - the Decade of the Disabled and Freedom of Information. Also, he supervises the development plans for the community of Sherridon related to the Puffy Lake Gold Mine Project.

His position is permanent and his salary is \$51,100.00.

**MR. J. DOWNEY:** Mr. Chairman, again we have the Minister of Northern Affairs being used by his Cabinet - the Premier - to look after a former, defeated NDP candidate - \$51,000 a year. We sure solved his war on poverty, I can tell you that.

Mr. Chairman, it is upsetting that the one department is so used, in the way in which it is. I am prepared to pass the Executive Support and the Research and Planning. We can go right down to the . . .

**MR. CHAIRMAN:** 1.(b)(1) to 1.(e)(2), inclusive, were each read and passed.

There will be no resolution on this Item No. 1 until we have returned and considered the Minister's Salary.

Item No. 2., Local Government Development, 2.(a)(1) Local Government Services: Northern Development Agreement; 2.(a)(1)(a) Salaries; 2.(a)(1)(b) Other Expenditures—pass.

Item No. 2.(a)(2)(a) Northern Development Agreement - Emergency Response Program; (2)(b) Less: Recoverable from Other Appropriations. That's part of 2.(a)(2). Let me call the whole page.

2.(b) Local Government Services: (1) Salaries; (2) Other Expenditures; (3) Community Operation; (4) General Support Grants.

2.(c) Construction Services: (1) Technical Services, (a) Salaries; (b) Other Expenditures. (2) Community Works, (a) Salaries; (b) Other Expenditures; (c) Regional Services.

2.(d) Municipal Support Services: (1) Northern Development Agreement - (a) Salaries; (b) Other Expenditures.

2.(e) Audit Services: (1) Salaries; (2) Other Expenditures.

2.(f) Grants.

The Member for Arthur.

**MR. J. DOWNEY:** Mr. Chairman, I've got some concerns. I've had some concerns brought to my attention dealing with the Northern Road Contractual Agreement. I guess this would be as good a place as any to ask those questions dealing with local government services, construction services.

The questions basically are, what process does the government go through, does the Minister go through when it comes to the provision of allocating road and winter road works? Do they have a set policy; do they tender the work; is it local community opportunity first; outside community; what is the policy when it comes to the allocation of winter road projects?

**HON. E. HARPER:** Maybe I can get clarification from the member. Is he referring to the winter roads program?

**MR. J. DOWNEY:** Yes.

**HON. E. HARPER:** That's delivered by the Department of Highways.

**MR. J. DOWNEY:** Well then, what are we dealing with on this page? Maybe the Minister could be a little helpful and tell me what type of construction and what is all involved in what we're dealing with on this page. It would be helpful because I would have thought that's where some of the winter road project work would have taken place. What type of work activity is taken here, and I would think the Minister would be prepared to answer what type of tendering process, and how they handle the winter roads, even though it is handled by the Highways Department.

He, as Northern Affairs Minister, I would think, should have some idea.

**HON. E. HARPER:** Yes, in the construction activities of building for administrative service like the roads, internally the buildings and water and sewer, but in terms of the winter roads that he mentioned, like for instance the winter road that's built right away to the northeast, I believe that's contracted with the Norwin Construction, which is made of nine bands, Garden Hill, and I could name the bands that were involved in the contract, that winter road on the east side of Lake

Winnipeg; but that's also cost-shared by the Federal Government. And I believe one of the conditions that the Federal Government puts on is to ensure that the contracts go out to the reserves so that they can employ local people.

**MR. J. DOWNEY:** Mr. Chairman, the Minister indicated that water and sewer are provided under this program. Do the Manitoba Water Services Board still provide delivery of most of the water projects, water and sewer projects in Northern Manitoba? Is it delivered by Water Services Board? And if not, what is the normal procedure for providing contracts in that particular situation? Do they tender them out, lowest tender accepted? Is there a local preference first and then other parts of Manitoba?

There are two specific questions - three questions really. Does Water Services Board handle the delivery of the service? Does he have a Water Services personnel and complement within his department? The tendering of those water systems and local preference, is there a local northern preference policy?

**HON. E. HARPER:** The Water Services doesn't get involved. We have a technical person within the department who advises the department. Also, the projects go out for public tender. We don't necessarily incorporate the northern content or local policy but, from time to time, we do ask the contractor, whoever is successful, to hire local people.

But I did take a question as notice some time ago from the Honourable Member for Roblin-Russell on the contract at Sherridon, the water main contract. I believe he asked me about phone-in tenders. On that, I have some information for him which was provided to me. Basically, the contracts, it was invitational tenders that were made by phone to, I believe, seven reputable firms in Manitoba, and were asked to put their tenders in.

This was done primarily because we were in time constraints because of the services that we had to provide. I believe six of the firms responded. Although this invitational tender is not a normal practice of the department, I was advised that we had to go through that process because of the time constraints.

**MR. CHAIRMAN:** The Member for Roblin-Russell.

**MR. L. DERKACH:** Mr. Chairman, on that point, as a matter of fact, the invitation was not issued by telephone. The people were told to phone in their tenders on the day they arrived at the scene of the particular work site. It wasn't a matter of the department phoning these particular individuals and asking them to phone in their tenders. The individuals found out that they were to phone in their tenders on the day they arrived at the scene of the work site. At that point in time, they were told that the tenders should be called in. They were given two days to phone in their tenders.

Now I ask the Minister: Is this the policy of the government now to wait until such time that there isn't time in their opinion to have tenders sent out in an appropriate manner, and then to tell people that you have two days to phone in your tenders? Is this a normal practice now or is this now the policy of how the

government is going to address these particular work projects?

**HON. E. HARPER:** I am advised that, because of the time constraints which were very time constraining, I guess, we had to advise the firms that were solicited, and they had the same opportunity to provide their price. I believe six responded by writing to the address, to our office. One didn't respond, but I'm also advised that a couple of people phoned in their tenders because their written response, one was on the bus and one was on the plane, so they did give the contract price on the phone.

**MR. L. DERKACH:** Mr. Chairman, the Minister has indicated there was a time constraint. Can you imagine a situation where the province, all of a sudden, puts itself in a position where it gives itself approximately two days to receive tenders, and what kind of abuse can occur when we have tenders phoned in?

Was there a public opening of these tenders or who was involved in receiving these tenders and making sure that there was no abuse? What kind of an approach was there to receiving these tenders and opening them up so that they would be public and there wouldn't be any abuse?

**MR. CHAIRMAN:** A point of order - the Honourable Member for Lac du Bonnet.

**MR. C. BAKER:** Mr. Chairperson, in the section of Committee of Supply meeting in Room 255 to consider the Estimates of the Department of Government Services, an amendment was moved that the Minister's Salary at the budget item line 1.(a) be reduced to \$1.00.

A voice vote was taken and subsequently defeated. Members then requested that a formal vote be taken on the motion.

**MR. CHAIRMAN:** Thank you.

The procedure is for the chairman in the committee room . . .

**A MEMBER:** What are you doing, Mr. Chairman?

**MR. CHAIRMAN:** Call in the members.  
Committee, please come to order.  
A point of order is being raised.

**MR. D. ORCHARD:** Mr. Chairman, will the Member for The Pas be absenting himself from this vote, due to his obvious conflict of interest?

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

**MR. CHAIRMAN:** The vote is in progress.

**A COUNTED VOTE** was taken, the result being as follows:  
Yeas, 25; Nays, 28.

**MR. CHAIRMAN:** I declare the motion defeated.  
The time being after 5:00 p.m., it is now time for Private Members' Hour.  
Call in the Speaker.

**Tuesday, 30 June, 1987**

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Committee rise.

**IN SESSION**

The Committee of Supply has adopted certain resolutions, directed me to report the same and asked leave to sit again.

**MADAM SPEAKER:** The Honourable Member for Burrows.

**MR. C. SANTOS:** Madam Speaker, I move, seconded by the Honourable Member for Inkster, that the report of the committee be received.

**MOTION presented and carried.**

**MADAM SPEAKER:** Private Members' Hour - is it the will of the House to call it 6:00 p.m.? (Agreed)

The hour being 6:00 p.m. then, the House is now adjourned and stands adjourned till 1:30 p.m. on Thursday.