

LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON PRIVILEGES & ELECTIONS
Thursday, 21 May 1981

Time — 8:00 p.m.

CHAIRMAN — Mr. Jim Galbraith (Dauphin)

**BILL 56 — AN ACT TO AMEND
THE EDUCATION ADMINISTRATION ACT
AND THE PUBLIC SCHOOLS ACT**

MR. CHAIRMAN: Committee come to order. We have a quorum. We're just on the last page of Bill 56 An Act to Amend the Education and Administration Act and the Public Schools Act.

The Member from Rossmere.

MR. VIC SCHROEDER: Thank you, Mr. Chairman. This afternoon when we left off we had heard from the teachers and they indicated that it was their understanding, as it is mine, that under the new formula it is impossible to bring in new programs for schools without cutbacks in other areas. That is the formula provides for a specific algebraic equation or multiplication equation which gives an amount of dollars which is a specific amount in constant dollars that the province will be responsible to provide from general revenues and from a general provincial property tax toward education in the future.

I'm just wondering whether the Minister could comment on whether the interpretation of The Teacher's Society and my interpretation is correct. For instance, the Minister has indicated I believe that he has now received a request from River East for a meeting to discuss a matter of a pilot project German immersion course starting in September of 1981. How, if he goes along with that, and just assuming its part of a regular course, how does that plug into the program? Where does that money come from if it's plugged in, does that mean that some other program is going to have to give?

MR. CHAIRMAN: The Honourable Minister of Education.

HON. KEITH A. COSENS (Gimli): On the contrary Mr. Chairman, the eligible expenditures will increase each year and, not only will the eligible expenditures increase but the grant schedules will be adjusted. The extra operating support is there as well in the program and I feel there is enough flexibility within the program to absorb new programs of the type that the Member for Rossmere refers to.

MR. SCHROEDER: The Minister says that the eligible expenses will increase each year. Will they increase in constant dollars, assuming a static student population?

MR. COSENS: I would anticipate that the CPI increase in each year will provide sufficiently a way for school boards to have some flexibility if they wish to consider types of additional funding for particular programs.

MR. SCHROEDER: Mr. Chairman, through you to the Minister. The question that I was asking and I

think the Minister has confirmed it to me, that is, that the eligible expenses, while they will increase each year, they will only do so in current and not in constant dollars. That when you're dealing with 1981 dollars, in 1982 you will only receive the same amount of 1981 dollars as you received in the previous year. Is that not correct?

MR. COSENS: Well certainly Mr. Chairman, we've had a number of new programs that have been started this year under the program and, as well as the Education Support Program, school divisions have that leeway and that jurisdiction if they so wish to increase their expenditures to take into consideration additional programs. That's well within their jurisdiction and it is their option.

MR. SCHROEDER: Yes Mr. Chairman, of course they would be entitled to do so with their own money and it seems to me that, unless I'm missing something, what the Minister is saying is, yes in 1982 there will be additional dollars but they will only be inflation dollars; those dollars will only buy precisely what the 1981 portion would have bought in 1981, and if you bring in a new program in 1982 with those extra dollars, then the rest of your program will suffer by the amount that inflation has eroded that existing program away.

Of course there is another option and that is for the School Boards to hit their local taxpayers full bore for the increase and it seems that's the only means because the other mention the Minister made was one of changes in the Grant schedule. Well the Grant schedule, as I understand it, is again one of just adjusting a bunch of figures within a global figure, the global figure doesn't change, other than by means of the consumer price index and by means of any changes in student population.

But assuming no inflation, assuming no increases or decreases in student population the best the Minister can hope for, with respect to the Grant schedule, is to increase grants in one specific spot by decreasing them another spot and, even though there may not be an actual dollar for 1982 decrease in the grant schedule for a specific item, it would be an inflation decrease if he just leaves it were it was in 1981 and raises some other item. There is also the mention the Minister makes of extra operating support. Is that something beyond the 85 percent that we're talking about in Bill 56?

MR. COSENS: Certainly, Mr. Chairman, the extra operating expense and support is part of the program and goes beyond the 85 percent up to 90 percent of the eligible expenditures of the school division. So it does make provision and I can assure the honourable member that I'm convinced that there is flexibility within the program to absorb new programming where necessary and certainly in the area of Special Needs the program itself is providing for expansion in programming and servicing with some additional \$15 million being made available.

We have made additional moneys available for the English as a second language programming for

immigrant children; there's additional moneys available for vocational programming that's never been available before. The Member, Mr. Chairman, seems to forget that all school divisions in this Province have received an increased amount of money from the Government this year, a much larger amount than they have ever had in the past so they are operating from a much richer base than they have for many many years; since 1967 perhaps.

MR. SCHROEDER: Mr. Chairman, if things were so great then I'm just wondering why Transcona was here today talking about the difficulties they were experiencing and why members of the School Board in River East are contacting me with their concern about the fact that River East is winding up being one of the top two school divisions in Winnipeg, in terms of taxation; while they're spending considerably less per pupil than most other school divisions. But the Minister mentions also the 90 percent for extra operating support, yes up to 90 percent, does that mean that that extra 5 points is negotiable between the Minister and the individual school division or is that something that will be done provincially?

MR. COSENS: Mr. Chairman, it will be done provincially and perhaps I can just expand for the benefit of the honourable member. We're looking at a provincially educational funding program. The honourable member seems to have a fixation on one or two divisions. He has to remember that the program has applied to all divisions in this province, whether they be urban, rural, remote whatever, and in the greatest majority of cases it has done its job and done it well and the figures are there, the proof is there, to substantiate that. Whereas last year we had some 18 divisions in this province with mill rates of 70 mills or less; under this program, we now have some 32 divisions that have mill rates of 70 mills or less.

That's rather dramatic evidence in itself, Mr. Chairman, of the effect of this program. Now he may single out one or two divisions and feel that this signifies that the program is a failure because mill rates have increased in those particular divisions. I say to him, Mr. Chairman, that there are many things that have to be considered when we're talking about educational finance. We have to consider that, although this new program does contain a cap on the amount of provincial funding, that's quite correct and I think most people around this table would subscribe to the fact that there has to be; no one surely is suggesting that the Government provide a blank cheque. But, Mr. Chairman, there is no cap on how much School Boards may wish to spend. We are not telling them what they can spend, that is still part of the local autonomy which we support, that within their decision making capacity, within their appraisal of what the needs may be of their particular division, they decide what the expenditures will be; and if a particular division in a particular year decides that it is going to go beyond the provincial support because it feels that that is the year that it must do those things, then it is quite possible that they will experience a school mill rate increase.

Next year we will see the second year of the program and I would expect, Mr. Chairman, that if we look at the province globally — and I like to look

at it that way not considering just the City of Winnipeg or just considering rural divisions — if we look at it globally we will likely find again a small number, and it is a small number, Mr. Chairman. In fact, the number of divisions in this province that have gone beyond a 5 mill increase amount to 3 in total; of all the divisions in this province 3 that have a mill increase over 5, but if we look at it globally it's quite possible that next year, Mr. Chairman, we will have a division, perhaps it will be a rural division, perhaps it will be an urban division, that decides that because of perceived needs that it wants to remedy or address in a particular year that its spending will go beyond the provision by the government and through the Educational Support Program. If that happens that particular division will experience a mill increase.

Those divisions that are able to maintain their expenditures at the CPI level, as the majority did this year or less, will experience either a levelling off, no increase or perhaps a slight decrease. So this obsession that the honourable member may have with one or two divisions, I can only say to him that is also a concern of mine, a concern of ours as a government. The Educational Finance Advisory Committee will be looking at those particular situations and they will be making recommendations to my officials if they feel that there is something within the plan that has caused some hardship or has not addressed needs of a particular division and we are not so inflexible, Mr. Chairman, that we will not consider those and be prepared to make changes where we deem it necessary.

MR. SCHROEDER: The Minister keeps confusing the issue. The issue is not the amount of money that the provincial government has put into education this year. I have never heard a spokesman on this side say that we're opposed to the dramatic increase in funding after 3 years of fairly limited funding for education; we have not said that at all, and there is no doubt that if you would have used the old formula Mr. Minister, the old formula, and added in \$70 million you would have had the bulk of the divisions in the province again experiencing minimal increases, if any, in their education finance structure. If you add that kind of money in it is natural that the tax won't rise in the way that it would otherwise. There are no magical solutions — the member for Minnedosa is shaking his head — I would suggest that if you put \$70 million in and you spread it around fairly and gave all the divisions their fair share then it doesn't matter whether you worked it on the old formula or the new formula you would have \$70 million less in municipal taxes or school taxes paid off property then you would have had you not had the \$70 million in.

If that's not common sense I don't know what common sense is, unless you're saying that if you hadn't put it in the spending wouldn't have occurred; and there may have been some spending that wouldn't have occurred had you not put the \$70 million in. But in general, by and large, if you would have added another \$20 million that would have been \$20 million less that would have come off property taxes. So we haven't been saying that we're opposed to putting extra money in and you didn't impose this program without putting the extra money in. No, you didn't pull this thing out of the sky and

bring in this miraculous program without putting this extra money in because, if you would have, no matter how you cut it you would have still had just as much property tax paid for education purposes as you would have had without this new program. It would have been by different taxpayers but they would have been taxpayers within the Province of Manitoba nevertheless.

So when we're talking about specific areas where people are being harmed by the program what we are saying is that, notwithstanding the fact that in almost all of the divisions, everything is working smoothly. Why should we spend our time here this evening talking about the ones that are operating smoothly, we're trying to fix this thing not praise it, we're trying to make sure that it's better than what you started it out with and that's why we're talking about it. Why waste our time patting the Minister on the back, I never saw that as the job of the Opposition. Well next year you people try it but well you might not be back.

The thing is there are divisions which are experiencing fairly dramatic increases in the property tax rates because of education taxes, because of the new program, not in spite of it, because of the new program and, in addition to that — well The Minister says no. In my particular division my Chairman tells me that had there not been any new program he calculated the rate increase at 5 mills and what we got was 11.2 mills; if we would have just had the regular increase in funding. I happen to feel that I have usually fairly reliable information from that source — which is the same source incidentally that told me that the Minister had a message last Friday, personally delivered to his office, asking for a meeting dealing with that German immersion program.

While I'm talking about that, and the Minister says that you can add in extra programs, I'm just wondering how exactly that particular program would enter into the new structure without being paid for in its entirety by the local school division; that is, how will that program qualify for the 85 to 90 percent support? Is it under the extra operating supports; is it under a shift in the grant schedule; is it a change in the eligible expenses? In what area does The Minister juggle balls to ensure that this type of program comes in because he does have a problem. You see the Minister also says there has to be a cap, everybody around the table agrees there has to be a cap, but this is the first time in recent history anyway that I'm aware of, where you have a legislated cap.

Last year, when you were setting up for an election year, you people decided to shoot \$70 million extra into education because you thought there was a little bit of trouble there, you'd been kind of tight in the past and maybe this is a place where the wheel was squeaking a little bit you better give it some grease and so you did, so you put in \$70 million extra. Now you're back here legislating to say that you can't do that in the future unless you change the statute law so that if next year you wanted to come here and pass estimates giving an extra \$70 million well, unless the CPI allowed you to do it, you wouldn't be able to do it because of the law that you're passing right here. I really would like the Minister to comment though, especially on that German immersion program, which is really no different from the

Ukrainian immersion other than the language and if one language group is entitled to it under support programs by the Province then surely another language group is also entitled to it on the same basis.

MR. COSENS: Mr. Chairman, there are a number of things that the honourable member has alluded to, and I don't agree with most of them, he mentioned something about his school division would have been better off under the old program. According to the figures that I have before me they would not have been, they would have seen a drastic increase. In fact, Mr. Chairman, most of the school divisions in this province would have seen a rather drastic increase in their mill rate if we had not turned to this particular program because we know that had been the trend for the last number of years, not just under this government but under the previous government. So to say that under the old program my division would have been better off is not true, Mr. Chairman, and the figures do not support it.

He mentioned something about a German immersion program and a letter that was mailed to me; I did receive it, it was on my desk when I returned from the session and there will be a meeting and we will certainly consider that particular program, Mr. Chairman. But without having examined the program, without having discussed it with the school division, without looking at what is involved and what is being proposed, I'm not prepared at this time to make any particular commitments. Certainly we are open-minded on that. The Heritage Language Program is something that we brought into being as a government. It's something that we support and it is something that hopefully we will be able to expand in the problem. The Ukrainian immersion aspect of the Heritage Languages has been working well, has been well received; the students are progressing very well under that particular program. It's the government's intention, of course, to expand that Heritage Language Program, but the honourable member is asking me about a specific school division and a program that they are proposing. Until I've had an opportunity to meet with them, discuss that program to see what is being proposed, Mr. Chairman, I'm not able to comment further on it.

MR. CHAIRMAN: The Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. Just looking at the figures that we've been presented with respect to River East, I understand that their budget increase is something like 13.1 percent from 1980 to 1981. Their mill rate has increased by 16 percent from approximately 66 to 77; it's a little better than 16 percent. Just on the face of it, it's very clear and that's without adding in any extra programs, which they have become entitled to by virtue of the new Education Support Program for special needs education; money which they probably wouldn't have spent had the new program not been in effect. So to suggest that somehow my particular division is benefiting from this program is utter nonsense and in addition to that, that particular school division probably contains at least 1/25th or so of the population of Manitoba and so has to share the burden of an extra \$3 million or \$4 million for their

portion of the \$70 million extra which has been pumped into education, because that didn't come out of the blue sky either. Regardless of the blue-sky budget we had last year, that money is coming from taxpayers.

So we are being hit in addition to a larger increase in our education tax than we would have had without the new program. In addition to that, our taxpayers in River East are required to shoulder their portion of the \$70 million burden which will come out of their income taxes or other taxes which could have been decreased had you not had the extra \$70 million expenditure.

MR. CHAIRMAN: The Member for Elmwood.

MR. RUSSELL DOERN: Just a couple of questions, Mr. Chairman. Is the Minister implying, as he appeared to do, that the reason that Transcona-Springfield is confronted with some serious financial problems is because they are big spenders? Is that basically his argument, that they are the author of their own misfortune?

MR. COSENS: Mr. Chairman, the school divisions that have been able to hold their mill rates at a static position or have decreased them have all had spending increases. Generally all have had spending increases that have been close to the CPI increase. Those divisions that have not, unless they have had huge pupil increase, enrolment increase, have seen an increase in their mill rate.

MR. DOERN: So the Minister is arguing that his program is fair to all divisions and that Transcona-Springfield is in a bind because of their own spending patterns.

MR. COSENS: Mr. Chairman, I point out to the honourable member the factors that have to be taken into consideration in any educational financing program. The amount of support provided by the province, the level of expenditure by the local school division, those two are the prime factors. I've mentioned to him that in those divisions that have been able to hold their expenditure level at an increase that's very close to the CPI, there has been no noticeable increase; in fact, in many of them, a decrease in the local mill rate.

MR. DOERN: Doesn't the Minister recognize that when you implement a program that it might hit at a particular point in time and that I believe Transcona-Springfield has argued that they were in the midst of constructing three schools or expansion programs that maybe other divisions have just completed and that consequently because of the fact that the program was put in at a certain point in time, they are being penalized? Now does the Minister have any comment on that argument?

MR. COSENS: Mr. Chairman, capital costs, construction costs on new buildings are covered 100 percent by provincial funding. If the honourable member is suggesting that the building of schools increases a school board's budget dramatically, then I suggest to him he's forgetting that the school cost, the cost of construction, is covered 100 percent by the province. Unless again, a school division decides

to go beyond a particular construction that is being approved and enhance it with particular aspects, that ordinarily are not funded by the province. That may be well the case in the instance that he's alluding to.

MR. DOERN: So when the Transcona Division appears here and presents their case as they did this afternoon and has done so on previous occasions, the Minister then shrugs his shoulders and says that there's nothing he can do, the solution lies in their own hands; that all these points they made, all these pages of data and charts about equalized assessment and this and that, the Minister just says that he just dismisses that. Is that his response?

MR. COSENS: Mr. Chairman, that's a ludicrous statement to suggest that we don't analyse these figures, that we would ignore them is absolutely ridiculous. We certainly do analyse them and we certainly do look carefully at all of these aspects.

MR. CHAIRMAN: Page 19 — pass — the Member for Rossmere.

MR. SCHROEDER: I think that the Member for Elmwood wanted another . . .

MR. CHAIRMAN: Page 19 — pass; Preamble — pass; Title — pass. Bill be reported. We now turn to Bill 62.

BILL NO. 62 — AN ACT TO AMEND THE WORKERS' COMPENSATION ACT

MR. CHAIRMAN: Bill 62, An Act to amend The Workers' Compensation Act. We have Mr. Coulter, Executive Secretary of the Manitoba Federation of Labour. Mr. Coulter, would you like to address the committee? Mr. Coulter.

MR. ART COULTER: Well, gentlemen, we're pleased to see that this bill is before you to upgrade the pension benefits to current recipients. This has been a practice for a number of years now and we were wondering whether it was going to happen this year. We realize that in 1979 when you dealt with it for the first time it was three years of an interval and at that time only two years of adjustments were made, so as a consequence the whole thing is back a further year then what it had been for some time and as a consequence there will be individuals going for about four years before they get any adjustment in the cost of living.

We are sorry that they did not see fit to catch that year up at this time around. I don't know whether it's possible now but I think it should be worth giving some consideration to, because of that factor. There is no question that some will be going for four years on average and some more than four years before they get an adjustment and in these days of escalating inflation in the cost of living, it makes it quite a hardship for these people and we'd like some consideration on that. That's just a general observation.

Dealing with the bill itself, we recognize that the first provision is changing the minimum from \$400 to \$475 for volunteer fire-fighters, volunteer ambulance service people and fire-fighters under The Fire Prevention Act. That's simply another indication of

upgrading the basis of compensation and the ceiling has likewise been adjusted to the current level of \$21,000 where in the Act it was stated at \$18,000.00.

There is just one thing with regards to this, I think it would be much preferable if reference was made to the section of the Act that deals with the formula rather than putting the stated ceiling, because that ceiling is changeable from year to year based on the experience of the claimants under The Compensation Act, and while as compensation is payable to those who are receiving compensation for accidents on a current basis as to the ceiling as it may change according to the formula, that same thing does not happen to these people because it is stated in the section of the Act here as fixed at \$21,000.00. So if the principle is there for the formula and that's a moving one from year to year, then I think it would be far better where the ceiling is quoted at \$21,000; either change the \$21,000 to the section of the Act, and I have it here, it's not too far, we'll get to it a little bit later, that would be preferable. Or if you want to insist on putting the \$21,000 per year currently or as per the formula as it may apply, something of that nature which would make it automatic. I just give you that as a recommendation which would make sense and conform to the principles that are already in the Act at the present time.

Number 2 deals with the compensation for widows and invalid widower, minimum again from \$400 to \$475.00. This is a cost of living adjustment I presume and corresponding adjustments for dependant children.

Number 3 is another similar adjustment from the \$400 to the \$475.00. I'm just going to skip over these because they are all pretty well on the same line and we have no quarrel with them as to the principle involved; they provide the adjustments in the different sections of the Act that apply.

Number 5 is just a change of dates. It's a technical one I imagine. It was 1976 before it was missed and the last amendment was 1979, and they caught up to it now so it's corrected to 1981. But the minimum of \$400 to \$475 is put in there similarly.

I would suggest that number 6 is the cost of living adjustment for the current pensioners. This is where I was mentioning before that we would hope that there would be some attempt to make a further adjustment in one year to make a catch-up so that individuals would be no more than a year-and-a-half before an adjustment. If there are no changes for another couple of years then it would be moving up to about three-and-a-half years before they got an adjustment, the way it is now, if another two years from now it will mean that some will be on the benefit that they had for over four years before they get consideration again and that's a little long in this day of rapidly increasing cost of living and inflation.

Number 7, dealing with permanent/partial pensions or disability; \$400 to \$475 are the percent rate that it may apply. We have no quarrel with this.

Number 8 is the same as number 7. The only thing we have a quarrel with here is that there is a limitation here that these adjustments don't apply to anybody with a compensation rating of less than 10 percent. Now we've argued for this time and again, but if it's applicable to those who are receiving 10 percent or more, surely the people who are receiving

an 8 percent benefit years back, then that is completely out of whack with what current costs and other factors are. There should be no difficulty in making the adjustment. Computers are used nowadays and there should be no problem at all.

If you would take a person on an 8 percent disability rating back in about 1968 or 1969, today he would be getting less than 4 percent. That's the way things have gone and that's unfair we suggest it should be looked at.

Number 9 is somewhat the same as 7 and 8, only it deals with temporary total disability of \$400 and \$475.00. The minimum, if it's less than 75 percent of the actual wages then it is the actual wages.

Number 10, somewhat similar to the changes of dates. There is not much to do with that; it is 1976 to 1981 to bring it up to date.

Number 11 is dealing with the ceiling. I spoke about that before, that the ceiling where it is stated in the Act, it should be further qualified that it may be a moving figure as per the formula that's contained in the legislation.

Number 12 deals with the formula and the only change there is in the dates but I would suggest to you that in dealing with that section or the sections previous where you're dealing with the actual figure, that Section 37.1 should be put in place of the \$21,000 where it appears in the various places in the bill or in the Act as it will be eventually.

The 13 is the same thing; 14 we agree with this that the amortization cost of this thing is spread over seven years and that makes it easier for the board to accommodate. Just one passing word with this and I'm sorry I didn't have the calculations before me but I think any body such as the Compensation Board with very large reserves or pools of money in this day and age with the interest rates that are going, that there is a tremendous increase in the income from that money if it's properly invested and this should go a long way to meeting these costs. As I said I haven't worked that out but it sure diminishes the cost factor of having to be spread over seven years.

I just say that in passing but really the system should be one of pretty well financing and supporting itself with the way funds can be invested today and really it's not a give-away to workers that are on compensation. It's really not an extra charge of any note for employers because of the invested funds that are there to do the job. I just want to mention that to you that some people have the notion that this cost is all going to be borne by the assessments on employers in the next seven years; that's not the case because the funding can accommodate most of that. I think that's about all I have to say.

Just in getting back to some of these things, I think the \$21,000 should be a change to reflect the 6 and 37.1 and consideration be given to giving some adjustment to those that are on pensions less than 10 percent. The other factor that I shouldn't miss because we've done it for years and that is that, in principle we think that the benefits under Workers' Compensation should be automatically adjusted whereby the individual on pension would have his pension adjusted based on the current level of earnings or wages of his job at the time of the accident. In other words if a carpenter was making \$5.00 an hour when he was injured then while on

benefit now if 100 percent disabled, then it should be 75 percent of the current earnings of the carpenter. That principle in just applying the cost of living — and it's been done back since 1974 but reflects back to those that were on pension I think prior to 1969 — but there are many people who are pensions that go far beyond that, that are not getting a fair deal.

The only way in which some of those are able to get a catch-up on is on the fact that the minimum is brought into play which is now the 400 to 475 and if their on a percentage of that, 20 percent of it, then you can see that it's only one-fifth of that and that would be their pension which may be a long way from what those current earnings would be of that individual today. I just wanted to say that because really we're not very much for pensioners under The Workers' Compensation Act by just applying the cost of living the way it has been in the last number of years. Thank you. If there are any questions I'd be willing to try to answer them.

MR. CHAIRMAN: Have the members of the committee any questions?

The Member from Brandon East

MR. LEONARD S. EVANS: Just a question to Mr. Coulter regarding the coverage of various classes of workers in various industries. Is the Manitoba Federation of Labour satisfied with the coverage extended to various industries and various occupations. In other words, I believe there are certain exemptions, certain groups, certain industries are not included.

MR. COULTER: Well, we think that everybody should be included. That's really not in this bill, it's an aside but in basic principle we think they should all be covered.

There are some exceptions and really the exceptions are there, I would imagine, on the fact that they may be not that costly. If that's the fact they should be included. I'm thinking of office workers and there's many groups of workers that are not covered that it is not a cost factor, but those individuals if they are injured at work then they have no coverage under Workers' Compensation and that can happen even to office workers nowadays.

MR. EVANS: Mr. Chairman, just to follow this up, I don't have many questions. It is the position of the MFL that ideally all industries, all individuals should be covered and I ask that because I've had some experience in my own constituency with people who indeed work in clerical or white collar jobs and who wonder why they are not covered and there have been some incidents of some disability arising from the work place, and they find that their not covered and maybe this is a question I should be addressing some point to the Minister and to the government. But at any rate the position is of the MFL — and it's not a surprising position — that all should be covered.

MR. COULTER: On the other end of the scale is that window washers are not covered for some reason and they would be probably the most hazardous jobs that one could imagine, but for some reason they're not covered.

MR. EVANS: Another question related to the suggestion made by Mr. Coulter that at least some

of the payments should be related, not to simply the increasing cost of living but also related to the current wage of that occupation for that type of worker. Could he advise the committee, Mr. Chairman, whether this does occur in other jurisdictions? Is this an idea that's very advanced and is not applied elsewhere or does it occur in other Canadian provinces or other countries?

MR. COULTER: I can't give you any specifics as to it being fully applied but I think the principle is followed to a greater degree than it is here, by just the manner in which it's been done. In other words, there's been more attention given to raising the minimums in that fashion.

MR. EVANS: So, Mr. Chairman, the delegate is suggesting that it would be more equitable to relate the disability payment to the going wage, let us say, for that particular occupation by whatever formula, so that it would reflect not only the increases in the cost of living but also increases in productivity which presumably are reflected in increased wages.

MR. COULTER: There is currently an examination of The Ontario Act going on, and they are suggesting that the whole approach be changed to reflect current earnings and to 250 percent of the industrial composit average wage, which makes it about \$40,000 instead of \$21,000.00. Then the percentage is higher, it's 90 percent being recommended instead of 75 percent such as in Manitoba, but that again is to reflect and to get more closely the actual earnings of the injured worker as a replacement for his earnings in a real sense.

MR. EVANS: Mr. Chairman, I would like to ask Mr. Coulter whether the MFL had done any studies on the costs involved of these various proposals, whether it be increasing the percentage from 75 to 80 or 90 or whether it be changing the approach to reflect current levels as well as changes in the cost of living. Has the MFL done any research in this area to suggest to Government what cost might be involved?

MR. COULTER: Not in recent times, we have in the past and really the assessments in Manitoba are very low, comparative wise, from some other provinces, which would indicate that there is lots of leeway there. The cost is a minimal factor to the cost of production in Manitoba for compensation, so that you can give a 50 percent increase in compensation or coverage with very little effect in the cost factor. It's a very low insurance program as far as costs are concerned.

MR. EVANS: Mr. Chairman, I would like to ask Mr. Coulter then, how would Manitoba rate with this adjustment that is proposed in Bill 62? How would you, from your knowledge, which I know is quite extensive having worked for many, many years in the labour movement, and knowing the situation in Canada, where do we place would you say in the Canadian scene in terms of benefits, taking into consideration those here, are we at the top, the bottom, the middle?

MR. COULTER: I would think we'd be about average. I'm just not up on that comparison of recent date anyhow.

MR. EVANS: Thank you Mr. Chairman.

MR. JAY COWAN (Churchill): Mr. Chairperson, I have to admit to you and Mr. Coulter that I find the whole manner in which these changes are introduced and continued to be somewhat complex and for that part somewhat confusing and Mr. Coulter indicated in his remarks right at the beginning that according to his analysis of what had happened in 1979 when we went for a three-year-period without a change and the effect of this change could mean that certain individuals would not receive a cost of living adjustment for a period of on an average of four years. He indicated at the same time that some others may not receive it for a period longer than four years. I would hope he'd be able to clarify that and indicate how he arrived at those figures.

MR. COULTER: Well, I think you have to reflect to the figures in the Act and the amendments are being brought forth. Those accidents in 1977 are now being adjusted and it is now four years on an average. What I've been doing is using the cost of living adjustment factor on an annual basis, which is the average at mid-term of the year. It does meet the fact that changes that have been applied before come into effect July the 1st. So that accidents in 1977, half of them would be for the half of the year and other half after July the 1st. So on average it would be July 1st, 1977 and they are getting an adjustment now in 1981, which is four years. They are getting the adjustment now and it's on a basis of two years. It will be another two years before they get another and they will be then again four years behind. Does that clarify the thing reasonably?

MR. COWAN: Just so I am certain I have it straight in my own mind. The individual is injured, let us use a figure of July of 1977. They were not included in the Act in 1979 because the Act in 1979 only went up to January 1st, 1977.

MR. COULTER: Correct. Correct.

MR. COWAN: So anyone who was injured after January 1st, 1977 is now receiving their first cost of living increase by the passage of this Act?

MR. COULTER: If they were injured on January 1st or 2nd they'd be four-and-one-half years to get an adjustment.

MR. COWAN: You suggested earlier, Mr. Coulter, that you would like to see reference made to a formula in the Act rather than to the ceiling of \$21,000 or \$18,000.00.

MR. COULTER: No, the formula is already there for the ceiling, but I think it would not be too difficult at this stage if the principle of adjusting it according to the cost of living could be done on a formula similarly, that it would be automatic and done by regulation in fact or by the Act itself, whether it refers to a formula which governs the thing. Then at least adjustments would be made annually and if you had the principle that you are going to wait two years before you get an adjustment then that would be it. You wouldn't have to wait until the Legislature met or saw fit to have a Bill to increase them like I've

said before from 1976 to 1977, there was three years before there was any adjustment, this time there is two years. Now we don't know whether there's going to be an adjustment in the next year, two years, three years, or what, but if the principle has been set out and followed fairly properly, I think, that it's about time that that formula was brought into play to be applicable on an annual basis automatically. That would make more sense to me than having to play around with this all the time.

MR. COWAN: In that instance, though you're talking about the ceiling.

MR. COULTER: No, I'm talking about the percentage cost of living costs adjustments to all pensions.

MR. COWAN: In other words, at the end of year or at a suitable period during the course of the year there would be an automatic kick-in to increase the pension benefit, so that we did not find ourselves in the predicament now where some individuals are waiting four-and-one-half years before they are receiving a cost of living adjustment.

I went back through the debates 1979, when you appeared before the Committee; 1976, when the Act was changed previous to that; and I went back to 1974 when this amendment was brought forward to The Workers' Compensation Act which called for this sort of a review. At that time, there was a time lag of eighteen months. In other words, an individual would wait on average eighteen months, I guess, for a payment. Would that be a correct analysis?

MR. COULTER: I think that's correct. It may be on an average two years, I would have to look back at that to check it, but it seems to me that if we're using on an average now at four years then it would on an average two years now.

MR. COWAN: I have the figures before me let me give them to you and perhaps we can work our way through this together.

In 1976 the amendment said that if a person was receiving benefits as of July 1, 1976 and they had been injured previous to January 1, 1974 or between December 31, 1973 and January 1, 1975 they would receive an appropriate increase in their pension which was supposed to reflect the increases generally in the cost of living. Using those figures and applying the same argument to that which we have applied to the present case, what time lag would we have in respect to the longest a person would have to wait for a compensation increase that would reflect increases in the consumer price index?

MR. COULTER: I think one would have to then and one can't anticipate or reflect back to what the intentions were then, but if the intentions were then to do it annually then it would be a different thing. At that time they were done on a two-year basis so that is the only change in that fact. It's a year-and-a-half then, it's two-and-a-half years but I don't think that is the way it's gone. I thought I had those figures here but I just don't.

MR. COWAN: Mr. Chairperson, I have to admit to you that I find the whole situation quite complex. I

note that when the original amendment was introduced in 1974 that the Member for Fort Garry and his response on third reading of the Act, the member who is now The Minister of Health, indicated that he was impressed with a presentation which you had given before the committee at that year in respect to the amendments.

I don't wish to put you on the spot here but I would like to know why it was determined at that time that there should be an 18-month time lag and I would imagine that you would have had some discussion about that during the committee hearings or I would suspect that you would have some discussion with The Minister of Labour about that and the committee hearings. Unfortunately we don't have records of those committee hearings; they weren't transcribed at that time. So I only have records of what went on by way of debate in the Legislature. I've asked you if you can think back and I realize . . .

MR. COULTER: I have the facts here; that in 1974 the legislation was one in which to bring in adjustments on the basis of four different increments and it dealt with accidents happening in 1972. So if they happened in 1972 on average it would be July 1972, so they become applicable July 1, 1974; it's a two year's on average that's what I said before I thought. One can't anticipate at that time whether they're going to do it on an annual basis but by July 1975 it was then three years on average, right? And by the time they got around to it then it was four in 1976.

At that time they gave four adjustments; 25 percent was given to those having an accident before 1969 and that went back for many years, and then those accidents happening in '76, '70, '71 and '72, they all had different factors applied to them.

MR. COWAN: I have those same figures before me. But the question I would like answered and perhaps the Minister can answer it when we get an opportunity to discuss it with his staff and he, but perhaps you can give us some inclination as to your perception as to why it was determined at that time to proceed on this sort of complicated and complex and what appears to be bulky formalization of the process rather than just proceed through with a straight cost of living increase on a schedule based upon whatever period of time the government wanted to use, whether it was three months, half a year or yearly.

MR. COULTER: Well, that was in fact what they were doing at that time and they sped it back for the four different years; actually five different terms. But I might say that we were somewhat elated that after decades of having no adjustments made that this was a breakthrough in recognizing the cost of living factor at that time. Now as I've said before it would be far better to have it automatically on the basis of cost of living on an annual basis and automatic.

MR. COWAN: So basically what we have is a situation that when this was brought forward in 1974 it was determined to be at that time innovative and did address the issue over a number of years, we've found that unless it's proceeded with on a year by year basis that it loses its value when you start to

get into a period of time when you have double digit inflation.

MR. COULTER: That's right.

MR. COWAN: I Thank Mr. Coulter for his presentation. I think that's all the questions that I would have.

MR. CHAIRMAN: Any other members have any other questions of Mr. Coulter?
The Honourable Minister

HON. KEN. MacMASTER: (Thompson) The first thing I want to do is thank Mr. Coulter for coming. He is probably more enlightened on The Compensation Act then anybody in the committee. I should tell him that it was raised at second reading by the Member for Burrows that possibly we should look at, and he didn't say it but since I found out it would take some fairly major revisions to the Act which could be considered for next time around to implement a system where Orders-in-Council through recommendations and regulations could implement the basic changes on an index that we're talking about year after year through legislation.

What I'm saying is that he suggested why really go through this every two years or three years whatever the case may be when you're basically dealing with the cost of living index to one degree or another. I've done some talking with some people since and found that would certainly take some changes in the Act so we would have to go through this next year to get permission to be able to allow an Order-in-Council to change the regulations and that's an interesting approach.

The other thing I should say and I'm not whether you knew, Mr. Coulter, that the ceiling here is the ceiling we happen to be with, but the ceiling is changed by the Workers' Compensation Board order.

MR. COULTER: Well it's done by our Workmens Compensation Board order but it's provided for in the legislation.

MR. MacMASTER: That's right.

MR. COULTER: The formula is in the legislation.

MR. MacMASTER: The formula is there, the board makes it, I'm notified of it, I make the announcement that that's the new name of the game.

MR. COULTER: We would prefer the cost of living adjustment to be done similarly so that it's in the Act and their administrative function is applying the appropriate cost of living factor at the time the legislation indicates, that's all. It's the same as the ceiling, it's automatic, other than they have to proclaim the thing or state it. I'm just not sure but I don't think you have to have a regulation to do that from Cabinet.

MR. MacMASTER: That's even one step farther than what I'd heard in talking to people this afternoon, that getting it right out of an Order-in-Council stage and getting it right back to the board, where the board through legislation could be given

the authority to not only raise the ceiling but raise the cost of living. That's even a more interesting way.

MR. COULTER: That's right. Well I think it accepts the principles that have been there and are being applied. If that's acceptable then why not make it automatic in that sense.

MR. MacMASTER: That's very interesting. Thank you again, Mr. Coulter for your presentation.

MR. COULTER: Thank you.

MR. CHAIRMAN: Page 1 — pass. Clause-by-clause: Section 1 — pass; Section 2 — pass; Section 3 — pass; Section 4 — pass; Section 5 — pass; Section 6 — pass — the Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. On Section 6 you will notice that the Act is amended by adding a new section to the Act, 31.4, and that of course allows for the increases which have been determined by the cost of living inflationary increases during 1977 and 1978 and at the end of that clause you see the statement, "But this section does not apply in respect to a person who is receiving compensation for partial disability where the impairment of the workman is less than 10 percent."

I would like to ask the Minister if he has given consideration to deleting that section which is also included in a number of other sub-clauses throughout the Act, so that all individuals who are receiving a pension will be in fact provided this inflationary increase?

MR. CHAIRMAN: The Honourable Minister

MR. MacMASTER: Mr. Chairman, I haven't gone as far as considering deleting it. I have asked some questions of some people that have been in the House and held portfolios in the past few years, what their rationale was for permitting that and gone back farther, what the rationale was in time gone by. There doesn't seem to be a great deal of rationale. I heard for example that the amounts are very nominal; they may go from \$2.00 to \$30.00 or \$40.00 or whatever the case may be. I'm not sure if that's good rationale. I was told that most certainly people who are on that nominal a pension are quite normally rapidly back at work. I don't know if that's good rationale.

I understand also that a large portion of people — and I know this to be a fact — who have a claim that's under 10 percent by and large, now not totally, but by and large take a cash settlement. The member's aware of my position on cash settlements; I've fought that for years every way I possibly could when I had some authority with unions and in some cases successful. I just don't believe period, in cash settlements — the bottom line — I just don't believe in it. But I know people are quite prepared to take \$500, \$380, whatever the case may be, rather than a \$6.80 a month pension, the larger figures just boggle their minds, I suppose.

I've asked to do a run across the country if by and large this system is in place. I'm told that by tomorrow or the next day they might be able to find out but they suspect that in a majority, if not all jurisdictions in the country, have this. Again there

isn't a helluva lot of rationale to what I've said. Those are the only answers I have come up with, not necessarily good ones, but that's the rationale from a lot of people who have been around this building a lot longer than I have.

MR. COWAN: I share the Ministers belief that an individual when faced with a choice between a cash settlement and a pension is in most instances, if not all instances, are better off by taking the pension and foregoing the cash settlement. But the way the Act is now for those individuals under 10 percent they are penalized for not taking the cash settlement, because they don't see any increases ever in their pension, yet if they took that cash settlement which is based on an amortization of what would be provided to them over the course of their anticipated or actuarial life span, I suspect, and put that money in a bank at today's interest rates, that money would be constantly increasing for them. So there is more incentive now for an individual to take the cash settlement, put the money in the bank, collect the interest on it, and in the long run would be farther ahead.

Now unfortunately what happens especially when money is as tight as it is in today's economy for most people, once that money gets in the bank it doesn't stay there long enough to collect the interest, it's spent on the necessities of life. on goods and services which we all need and want. So while in theory that sounds like a better situation in practice, as the Minister knows and I know, it doesn't work out that way. Unfortunately though there is no incentive in the Act now to have an individual take the pension over a cash settlement; in fact the converse is true.

Perhaps the Minister can indicate if he has done any surveys so as to determine what the cost of indexing those 10 percent pensions would be.

MR. MacMASTER: No I haven't, Mr. Chairman. I have to be reasonably candid, like I try to be, and say that it wasn't something I had given a great deal of thought to. It's a situation that's been with us for 20, 30, 40 years, I don't know. Again talking to previous Cabinet Ministers in the Province of Manitoba where it's ever been a particular issue, I suspect maybe somebody in the past had a better rationale for it than I've been able to find in the last three or four hours, I don't know.

MR. COWAN: The only rationale I have heard — and that includes the one which the Minister has provided to us just as of recently — that might make some sense is that you are dealing with a very large number of small settlements, therefore it would be more costly to administer the increases on an annual basis than the increases themselves would cost. In other words, there was a problem in respect to locating all those individuals, as the Minister says, it was a system that was brought forward probably 30 or 40 years ago, I'm not certain how long, but it's a long-standing system. A lot of those people have been lost in the files and you'd have to go back and find them and it would be a cumbersome process. That may have been the case ten years ago. But it's my understanding the Workers' Compensation Board is becoming more and more computerized as time goes on, as it should, and we all know the

technological benefits of the computers and how they can make what was once a cumbersome filing and investigator procedure quite easy. So if that was a rationale it is no longer a rationale, or I would I suspect it would be no longer be a rationale. Once you included those individuals onto the files it would be automatic, it would be as automatic as running a program. I'm not certain how they adjust the pensions now but I would imagine that it's done by computer. Or if it's not done by computer I imagine that it would be anticipated it be done by computer in the near future. The Minister can indicate whether it is or not.

So I think that there is every reason to put those persons who are receiving a pension under 10 percent back in the system by deleting those references that are made to them in respect to inflationary increases for those on pensions and benefits. This is not a matter that was brought to the Minister's attention tonight for the first time.

I know for a fact that in 1979 that Mr. Coulter in his presentation at that time talked about the fact that the Manitoba Federation of Labour and others who were interested in this matter did not like that provision of the Act. I know that some mention of it was made I believe in 1974 when the amendments were first brought in. I know that the Injured Workers' Association has made representation to our caucus, I'm certain they've made representation to the Conservative caucus and I know Mr. Bordash last year made representation not to this committee but the Industrial Relations Committee, and if I recollect correctly he talked about the 10 percent exemption at that time as well and asked that something be done about it. So it's not a matter that is of recent concern for many. The Minister has been made aware of it. I would ask him simply if he is prepared to delete those exemptions from the Act at this time, given that he can find no substantive reason for including them and given that we both know they are imposing a hardship.

He may be correct that there are a number of individuals who are only receiving \$2.00 a month or \$4.00 a month or \$10.00 a month, I don't know what those numbers would be. I would suggest that they are as entitled to the inflationary increases as anyone else, although they may be less of an increase than others, but there would be others who would be receiving I guess in the area of \$200, a month; would that be correct?

Perhaps I should ask The Minister. What would be the highest 10 percent disability that would be available to an individual under the Act now, with the ceiling at \$21,000.00?

MR. CHAIRMAN: The Honourable Minister

MR. TALLIN: \$75.00 - \$80.00; talking about the old ceiling.

MR. COWAN: Okay, or the old ceiling of \$18,000.00. It would be 75 percent of \$18,000; it would be \$180 or 75 percent of \$180; is that right?.

MR. MacMASTER: Well, if it was \$10,000 it's \$75; \$15,000 it would be . . . no, you have to take a 75 percent of the maximum; don't you?

MR. COWAN: It would be \$135 if we're using the \$18,000 figure; is that correct?.

MR. MacMASTER: Well no, \$18,000.00.

MR. COWAN: If we use the \$18,000 which it is now, it would be \$135, it would be 75 percent of that, 10 percent of that. I do admit that I find this all very confusing. I'm asking questions more than putting statements on the record.

Let's assume that that's an accurate figure. Well, in that case the increases that we're talking about this year which are fairly significant, just for the sake of quick figuring, let's say the first one is 20 percent and not 18.9, we're talking about a \$37 increase for that one. So that's a fair amount of money and we're just talking about what they lose this time, we're not talking about what they lost in '79, what they lost in '76, and what they lost in '74.

MR. TALLIN: It works out to \$110 a month, a maximum 10 percent you could get under the \$18,000.00.

MR. COWAN: Okay, \$110 a month, so we would be talking about \$22 roughly.

MR. TALLIN: Roughly \$22.00.

MR. COWAN: Now I admit \$22 doesn't buy a lot but without the \$22 you can't buy anything and I think that's a point that has to be made. So is the Minister prepared to make that commitment? He doesn't have to bring the amendment forward at this time because I know the remaining hours in this Session are probably few in number and it would be an amendment that would necessitate some study by the Legislative Counsel, I'm certain, in order to make an amendment that withstood the test of time, but we would appreciate a commitment from the Minister. In light of the fact there does not appear to be any rationale which is appropriate at this time which would indicate that the exemption should continue and in light of the fact that the exemption only encourages people to take cash settlements rather than encourages them to opt into the pension provisions of the plan. It must be noted at this juncture that the Minister and I, and I think most in this room, agree that it is probably better for the individual to take the pension plan and would want to encourage them to do so and could do so by lifting the exemption. Is the Minister prepared to provide us with that commitment?

MR. MacMASTER: I'm prepared to give that certainly some consideration. I've only seriously looked at the rationale and I haven't found any great rationale, but I have to check with more people than I've been able to talk with in the last two or three hours. It is a point that deserves consideration and that's basically all I can say at this time. I don't think good legislation is made in two or three hours of me running up and down the halls talking to a few people that have been Cabinet Ministers before, people who — some of my own colleagues who have been around for a long time, a guy like Art Coulter, for example, a guy like Jimmie James, fellows that have been active in it from that viewpoint for many many years. Present members of the Compensation Board, who are there by choice of labour and choice by management for many many years, they may have some good rationale, which I haven't had the opportunity to sit down and talk to them about.

I expect that next year I can either talk about some good rationale or have some dam good reasons why that a different type of a formula couldn't be applied to those under 10 percent, and that's basically the only commitment I'm prepared to make at this moment.

MR. COWAN: I'd just indicate to the Minister that last year, and I've just been able to go very briefly through the committee hearings, Mr. Coulter said and I quote, "The other aspect that's not touched here and we've raised this each year that we've been dealing with Bills of this nature, when they've been increasing by a cost of living, that the 10 percent level and below are not given any cost of living adjustment at all, and there's no reason in our mind why that doesn't apply, because some of these people are in need of it, there's no question about it." So it has been brought to the Minister's attention, we're bringing it to the Minister's attention again, but I think the rationale that he's attempting to use now that he can't find the answer out in three or four hours, while taken out of context is appropriate, but when put back in historical perspective that this matter has been brought to his attention before does lack some credibility.

What I would ask him to do specifically is to provide to myself and other members of the House an analysis of what it would cost to remove that exemption of 10 percent; how many individuals are currently receiving a pension of less than 10 percent and any other information which he would feel to be pertinent to the matter. We can look it over and when we come back to the Legislature at the next Session we can be able to discuss that in a more thorough and comprehensive way. I'm confident that if we have that commitment from The Minister that the figures will bear out our argument that the exemption is unnecessary and in fact is counter-productive in the number of ways. Can we have that commitment from him, that he will direct the Compensation Board or his research staff to do an analysis of it that will cost it out and will also provide some information as to who will be affected and how they will be affected, and we can discuss that in greater detail hopefully through the means of a piece of legislation at the next sitting? I'm not asking for the commitment for the legislation for the next sitting, but just for the information.

MR. MacMASTER: I have no trouble with that.

MR. COWAN: I have a number of general questions. I would ask the Minister if he would, because they all deal with pensions or for the most part they deal with pensions, if he might not want to cover them under this particular section and go through the rest posthaste. I won't have any other questions on those except for perhaps a general question on Bill be Reported. Is that —(Interjection)— well, they're on pensions so we can do it here or we can do it on that.

Mr. Coulter mentioned that he believed the level of reserves were fairly significant now in the Workers' Compensation fund. Does The Minister have any idea as to what they would be in approximate numbers? I believe it's a matter of the public record in the Annual Report, I just don't have the Annual Report in front of me.

MR. MacMASTER: I haven't got those numbers, but I might be able to dig them up if the member wants to carry on with his questioning.

MR. COWAN: I can get that information as I say from the Annual Report, but I would ask the Minister specifically, and I don't know if this is in the Annual Report or not, is, what is the average rate of return on the investment that Workers' Compensation is receiving in respect to those reserves?

MR. MacMASTER: Slightly over 8 percent.

MR. COWAN: In what form is that money being invested at the present?

MR. MacMASTER: I'm told that's in the Annual Report too, but we'll see if we can pull part of it. Have you got another question while we're — method of investment . . .

MR. COWAN: Yes, and basically if it is 8 percent, is it tied up in long term investments or is there a possibility of gaining a greater investment on that money. We now know that money that been invested to date, even in a savings fund, is collecting most likely nearly double that. So I can understand why we're at such a low percentage if we in fact have it tied up in long term bonds which were entered into at a time when the interest rate was much lower. I can also understand why it would be so low if we were lending back to the people of the Province of Manitoba in different forms. In other words, to other agencies and to hospitals, such as is done with Autopac money. So if The Minister can give me some indication as to where that money is going, if he has that before him now he can provide us with some information as to why that 8 percent is the current rate of return?

MR. MacMASTER: We had debentures out with seven other provinces, municipal corporations, school districts & divisions, hospitals, mortgages, national housing, and we have a deposit with the Minister of Finance.

MR. COWAN: So, if that's the case the only people who would then have an argument with that might be the employers, who are providing the money which is being invested and thereby would like to see a greater return on their investment, which would in fact lower the assessments, but that the people in Manitoba should be relatively satisfied that they're receiving money at a fairly low rate of interest. Would that be a correct assessment? Am I wrong on that?

MR. TALLIN: You must remember that I'm not an investment expert by any means, but this money has to be invested in some term and until recently most of the investments were fairly long term because people were not anticipating quick increases in interest rates. That's true of very sophisticated investors and I'm not saying that the Worker's Compensation Board are not quite sophisticated investors, I think they probably are fairly sophisticated.

If you invest something in 1970 in 8 percent securities, that looks very good in 1970, but you have to average that out to the fact that they

probably still have in their portfolios some 1960 bonds, which were bought then at 3 percent. If you tried to dump all those 8 percent bonds that they picked up in maybe 1970, you don't get a 100 percent and you'd lose an awful lot on the discount. Therefore you have to decide how you can reinvest it, if you can at all, at a greater rate.

Because this money is required to pay the monies over lengthy periods of time, fifty years after the money was put into the portfolio there is still money to be paid out on it. Therefore you really have to decide that at some stage that you're going to have most of your portfolio in fairly long terms and that is over 7 or 8 years.

MR. COWAN: I appreciate that, even the most sophisticated and the most expert of investors have been surprised, if not shocked and appalled, by the losses that they are suffering only in respect to comparability, because they invested in long term funds a number of years ago when the rates were lower.

MR. TALLIN: But I think if you look at the investments that they have made in the last year, you will find that those investments will probably be at the same rates of interest that people are paying today. What they invested last week will be last week's interest rates.

MR. COWAN: That would be a good question, perhaps I can forward that to the Minister.

MR. MacMASTER: Thanks.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: Has the Minister attempted to determine what the cost of these increases, which are called for in this amendment, will be on the Workers' Compensation Fund?

MR. CHAIRMAN: The Honourable Minister.

MR. MacMASTER: Yes, approximately \$14 million.

MR. COWAN: That \$14 million will be amortized over a 7-year period.

MR. MacMASTER: Yes, but again to make it even more complicated, two years from now all things equal, you're going to have another \$18 million. I am not that great a mathematician, but I know in 1979 I was reminded that 1976's and 1974's hadn't quite caught up and this was another one on top, so you're really running into the fifth year of something, and then you have another one so you're really paying off sometimes three of them at one time and then one is out of the way and then you're into another one and you're always in the midst of the very minimum of two, I think a minimum of three, because a seven-year period, and if you assess them every two years, you're going to get three cracks in there. You understand what I'm saying?

MR. COWAN: Well, I think in 1974, Mr. Chairperson, they amortized it over a five-year period and they thought at that time that would cost the Workers' Compensation Fund \$10 million. That was the

indication that was provided to the Legislature during the second reading of the Bill. I bring that matter up because at that time the then critic for the Official Opposition, the Member for Fort Garry and the now Minister of Health, took great offence to the fact that the Government wasn't going to dip into consolidated funds in order to help the employers pay for this assessment. His logic was, and he repeated it on several occasions, during the course of the debates, that employers should not be made to pay for accidents of the past.

In other words, the present day employer should not be made, by this Act, to finance those accidents over which he or she had no control. The example, of course, could be that an employer starts up an operation today and is assessed on the basis as if they had been operating for the period of time over which that particular increase is amortized and the increase is basically for pensions, which is for accidents of the past. It's a complex argument. I'm not certain as to the legitimacy of it but I would certainly appreciate hearing the Minister's remarks in respect to that argument that was put forward quite vehemently and quite strongly on behalf of his party when they were in opposition.

MR. MacMASTER: I have heard the argument mentioned many times that you have a good employer who works hard at having a low assessment rate, does some policing within his own industry, keeps the assessment rate down and because there was some less than concerned people in the past he is now being asked to pay for their mistakes or their miscues. I've heard that argument. I suppose my position today is that it's the cost of doing business in the Province of Manitoba period. Workmens Compensation is with us; I'm damn glad it is; I think everybody at the table is glad it is, and it's a consideration of doing business in our province.

MR. COWAN: I certainly agree with the Minister that there are social costs that are imposed upon any business or any individual in any particular jurisdiction, some of them imposed by municipalities, some imposed by the Province, some are imposed by the Federal Government.

If we take that argument that the Minister has just put forward, then he is in fact rejecting the argument which was put forward by the Member for Fort Garry in 1974 and I'm pleased to hear that. I thought there had not been an opportunity since that time or at least an opportunity had not been taken advantage of since that time to have that record clear. I wanted to do that at this time. But while we're discussing it, the Minister said that there are some employers who in fact believe that they are being penalized by other employers who are not safeguarding the health and safety of their employees. In other words, the example that the Minister gave was that an industry could police itself and keep its assessment low. If I understand the situation correctly, it's not the individual employer that is assessed, but it is an industry or grouping that is assessed, so it would be up to the industry as a whole, if they were to try to in any way move their assessment down.

Some other jurisdictions have talked about putting in place a system whereby individual employees were rewarded for maintaining safe and healthy work sites, specific work sites at their operation. Has the

Minister given any consideration to that and if so, can we have some indication as to whether or not the province is actively considering that sort of a system? Again it is one which does need some discussion, and I'm not privy to all the facts and all the analysis of what's been done in other jurisdictions, but I know it's been talked about in those jurisdictions and I would appreciate any information the Minister could provide to us so that we have a better idea of not only where his Government is going, but where this type of action is taken other Governments if they have attempted to put it in place.

MR. MacMASTER: Just a quick comment. The Member from Fort Garry, when he was making his position of course comes from a different world than I come from. After twenty years in union halls I guess I look at things somewhat different than others. I'm sure that Mr. Sherman has a lot of aptitudes to contribute to life that I probably never will have, so his viewpoints at that particular time were undoubtedly expressed from things that he had heard and maybe he just didn't have his ears full of the same sort of things that I had as we were growing up. I make no excuse for him, it's just a fact of life that I've heard both sides of that particular issue too.

Individual companies being rewarded; I've had that position posed to me by several companies. I've had it posed to me by industries as a whole who think that it wouldn't be a bad idea. I can't say to use the word actively considering, I'm not actively considering that, but it's certainly something that bears some consideration maybe down the pipe a ways. It would be pretty revolutionary. I don't know of any other jurisdiction that precisely has it in place, but it's an interesting concept.

MR. COWAN: The other side of that equation, Mr. Chairperson, is that they are penalized if they happen to go over what is the norm for the industry or the norm in that specific workplace, so it works in both ways.

I would appreciate any information that the Minister may have from time to time that he would wish to forward to me respecting that, because it is an idea that is being talked about. As I say, I haven't enough information myself to be able to formulate an opinion, but I think it's something that we should be reviewing.

One final question in respect to pensions, and that is, it's been brought to my attention, I know it's been brought to the Member from Roblin's attention as well, because he's been doing some work for a fair period of time for a constituent in his own constituency, in respect to an individual gets a partial disability pension, say a 15 percent partial disability pension. Because they are unable to work the Board gives them a supplemental payment, which raises their pension actually to 100 percent until they reach the age of 65, at which time the Board takes from them that supplemental payment and they're back down to their original pension which was 15 percent.

Now, I know of two individuals in the province that are being affected by this in the very near future. I'm not certain whether one has reached 65 or not, and I believe the other is going to reach 65 in the very near future. I know it's a matter of concern to

members on both sides of the House in that we have worked on it in different ways, but I would ask the Minister if he could indicate how this particular Bill will affect those individuals in specific, and generally if he can indicate if there is any way whereby we can change that provision of the Act because it is bringing hardship on those individuals. I, for the life of me, have difficulty in understanding what happens at age 65 that means they shouldn't have that continuation of their pension. They have the same body, they need the same food, they need the same house, they need the same roof over their head, they need the same goods and services.

Now, it can be said they start to receive Public Pensions at that time, which would bring their standard of living up somewhat, but it's my understanding, and perhaps the Member for Roblin, who is as aware, if not more aware, of one case than I am, can indicate it does not bring it up to a level at which they were before the supplemental was removed. So I bring that to the Minister's attention for information and hopefully for some action in respect to doing something about that situation. It seems to me to be unfair at first glance.

MR. MacMASTER: All that I know about it, and I'm not sure whether it's anymore than the Member from Churchill or Roblin knows about it, that yes, there is a system of supplemental assistance if a person is getting 15 percent or 20 percent, whatever the percentage is, up to age 65. At 65 he carries on with his original pension be it 15, 20, 30 or 40; he then hooks into the Canadian Pension Plan and Old Age Security and any other provincial assistance in addition to the pension that he's getting. I think that is correct, but not the supplemental, his 15, 20 or 30, this is what I was trying to explain in the House and on the Saskatchewan system where at 65 you're through. Our pension system in Manitoba is truly pension, you know the true meaning of the word, it's a lifetime pension.

So whether it is exactly right that he should carry on after 65 with 100 percent and in addition to that you know get CPP and everything else that he may or may not be entitled to, I'd really have to review that and the equities of the system to see if — we can sometimes pick an individual case and feel very righteously concerned about it — but if you look across the broad spectrum I don't know and again I'm just talking I haven't thought it out that well, but I don't know whether it would be right that he should carry on with a 100 percent after he's 65 when he's entitled to a lot of the other provisions that our country provides. There's just that question in my mind, I know that he certainly in Manitoba would be permitted to carry on with his 15, 20 or 30 percent plus his other benefits.

MR. COWAN: Let me make certain that I understand the situation correctly. Let's say the individual was on a 100 percent disability and was getting \$1,000 a month for that disability. At age 65 would they continue to receive \$1,000 a month on top of all the other supplemental income which is available to them?

MR. MacMASTER: I think so, yes.

MR. COWAN: Now lets take an instance of an individual who is receiving 15, 25 or 30 percent,

partial permanent disability pension. It is found by the board that they are entitled to a supplemental to bring them up to a full 100 percent because they can't find a job, because there's no work available to them which they could do.

In other words, they may only be considered to be partially disabled but that partial disablement is keeping them from working, so they say up until age 65 we're going to pay you that supplemental just as if you were a 100 percent disabled; only at age 65 you're going to lose it. But the person who has been awarded a 100 percent permanent disability pension continues to receive it, there seems to be an inequity in the law there and in the policy there.

I would like to add my voice to that from the Member for Roblin and others who may have approached you in respect to encouraging you to review that situation not only for his constituents but for the many other constituents who are affected by this in trying to develop a more equitable system because I think it really does place a hardship on those individuals. I have been convinced by the sincerity of their argument and by the legitimacy of their logic that they are being unfairly treated in reference to those who have 100 percent permanent disability.

MR. MacMASTER: Let me review the whole pros and cons of the thing and I'll give both yourself and the Member for Roblin a thorough assessment on the viewpoints of the Compensation Board and their rationale for it.

MR. COWAN: As well I'm certain you've been apprised of the individual by other members and if you'd provide it to them, I'm certain the Member for Roblin will provide it to them as a part of his normal efforts.

MR. CHAIRMAN: Section 6 — pass — the Member for Churchill

MR. COWAN: I would impress upon the Minister a need for urgency in respect to the review because some of these individuals are fast approaching age 65 and they will be cut off according to the latest correspondence from Workers' Compensation Board to them when they reach that age. If there's any way in which the Minister can make some adjustments — and I don't know if it would have to be done by legislation or not, there seems to be some controversy as to exactly how the legislation is being interpreted — but if there is legislation not necessary that he do whatever he can to ensure that these people, and there may be a few of them, are not unfairly imposed upon.

MR. CHAIRMAN: Sections 6 to 16 were all read and passed. Preamble — pass; Title — pass — the Member for Churchill.

MR. COWAN: I wanted to ask a general question that arises out of last year's committee hearings.

At that time the Minister will recall that we were discussing the amendment that changed the penalty for the failure to pay an assessment from 2.5 percent per every half month was it — I'd have to go through my notes — but at any rate it was a significant change in the penalty for not paying an assessment.

I believe the way it was previous to the amendment of 1979 it would amount to accumulative penalty of 60 percent over a year and with the changes it would amount to just less than 20 percent the first year and even less in the second year.

At that time we expressed some concern about the effect of that amendment and the Minister indicated that he was going to monitor the effect of that. I would ask him if he can provide us at this time any details in respect to the monitoring. What we asked him in specific was, will this be an encouragement on those to default on their assessments? So we'd like to know if there has been an increase in the number of defaults and if so, what they may have been.

MR. MacMASTER: I forget all the rationale now, it was quite a complicated discussion. But I'm informed and I can get the member the numbers that in fact our rationale did bear out and the collections were up. Now I'll get those numbers and get them to the member precisely so he can see that there was some rationale to it and for once the legislators were right, at least the House was right, and passed something that was encouraging to people to pay. I'll get those precise numbers and get them to him so he can see the difference.

MR. COWAN: I would appreciate that. The final point I'd like to make is in respect to the increase in the time lag which was brought about by the 1979 amendment being brought forward in 1979 rather than 1978. We talked about it in the house, we talked about it in the panel or in the committee with Mr. Coulter for some time and we have some difficulty as did the Minister in 1979, with the fact that that time lag has been extended. Is there any way and has the Minister attempted to find a way by which we can reduce that back to at least the 18 months that it was previous to the 1979 amendments and perhaps even bring it forward?

As Mr. Coulter indicated — and I agree with him on this — I believe a formula would be more appropriate that would tie this into automatic increases every so often. But in the meanwhile, because that will take some time to develop the proper legislation, is there any amendment that we can make to the Act this year that would get it back on the 18-month time lag rather than the 30-month time lag?

MR. MacMASTER: Mr. Speaker, the whole issue of the lag is rather confusing. I thought Mr. Coulter was probably as knowledgeable as any and I noticed tonight at one point he was talking about two years and then he went back to four years, then he got an average of three years — and that's no sarcasm meant towards a 20-year friend of mine, I'm not being sarcastic with that gentleman — I want to try and get my people and I have to tell you I have a lot of faith in the two gentlemen with me and they haven't been able to work out in the last year, some precise numbers as to the back log either. They came up with a four year formula back in the Seventies and I'm not sure whether they were talking about '72 or '76 and then another point they had headed down to two years if everything happened right. We never did find the exact 18 months but at one point tonight the Member for Churchill pointed out an 18-month period which then in trying to get

further clarification from Mr. Coulter, we ended with that thing being extended out.

I want to have a whole look at the thing and I'll try and get some knowledgeable people who have a few hours to sit down and try to work that out, I'll get that to the Member for Churchill. I'm not sure whether he'll be smarter or I will or what, but at least we'll go through the exercise, I assure him of that.

MR. COWAN: I have admitted, Mr. Chairperson, to being confused by this since I first laid eyes on it and I think that was the last time in 1979 and I thought perhaps I'd gotten smarter in the last two years but obviously that wasn't the case in respect to this one particular specific item.

The 18-month figure which I am using is derived in this way. When the amendment was brought forward in 1976 it applied to an individual who was injured before July 1, 1976. It said that the individual who was injured before that time would be paid a cost-of-living increase in their pension based on the following figures: If they were injured between December 31, 1973 and January 1, 1975 they would receive a 10.4 percent increase; if they were injured before January 1, 1974 they would receive a 22.9 percent increase, that still confuses me — I can cut that seven different ways from Sunday and I still can't figure out the rationale — but I do know the person had to be injured before January 1, 1975 or that amendment didn't apply to them and that amendment took place on July 1st, 1976, they had to be collecting payments as of that time.

So that would mean if they were injured on December 31, 1974 they would have to wait all of 1975 and the first 6 months of 1976 before they would get their first cost-of-living increase. Now in '79 it applied in the same way in respect to the July 1 date, if the individual was collecting benefits before July 1, 1979 and they had been injured between December 31, 1975 and January 1, 1977 they would receive a percentage increase. But the difference there is that now, say they were injured on December 31, 1976, they would have to wait all of 1977, that's 12 months; all of 1978, that's another 12 months; the 6 months in 1979 and there is your 30-month total. That's right, there is your 30-month total.

Now when this amendment is brought forward it maintains that 30-month total and the Minister, when we were in committee in 1979, was justifiably concerned about that 30-month total and assured us that there were going to be changes made in 1980 to get it back on the even year but if it wasn't in 1980 there was going to be some provision made to tighten that time gap. Could it not be done at this time by adding another line to the amendment saying, if a person was injured between something and January 1, 1978 they would be entitled to a certain percentage increase; that would get us back on the 18-month time lag. I'd much prefer to see us get back on a six month time lag if we could, by extending that to a person being injured before January 1, 1980, but that may be asking too much.

But I think we should at least go back to the 18 month as a stop gap measure until such a time as we can develop a formula or develop a more equitable system. Could that problem not be approached in this way?

MR. MacMASTER: I'm sure that all kinds of problems can be resolved. Again I'm not prepared

to do that at this time. I don't understand all those numbers. The Member for Churchill doesn't understand them. I noticed Mr. Coulter was confused with numbers tonight and was fairly infactic about three sets of numbers, a two-year, a three-year and a four-year. We're now talking about 30 months. I don't know whether that is good or bad. I'm going to have a look at the history of the whole thing and as I said I'll get through to the Member for Churchill and my own caucus and let them know what the true history with the mathematicians are.

MR. COWAN: I think the confusion is contagious. I think our rattling off with the numbers added to the general level of confusion. But I can assure the Minister that while I do not understand fully the way in which that formula works, I do understand full well that the time lag was 18 and is now 30 and I would hope that we could correct that situation.

MR. CHAIRMAN: The Member for Rossmere.

MR. SCHROEDER: Thank you, Mr. Chairman. You'll notice that several people have come into the room. They are from the Injured Workmen's Association. As we are all aware we've been in Speed-up for the last little while and things have been happening a little quicker than usual. They weren't notified until some time today of the meeting this evening. They had another meeting and they've come from there. I'm just wondering if we could spend a few minutes in hearing them. I recognize that we've already passed everything except the title but they did make the effort to show up here and I would hope that we could hear from them. I believe they will be brief.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: If I can speak to that, Mr. Chairperson, I happen to know where I was informed that the members who have just made it here now, were at a meeting of the Injured Worker's Association this evening and thereby couldn't make it here earlier in the evening. I think that given the experiences of the past in the type of expertise and insights which they have been able to bring forward to the Committee hearings, we can only profit by spending a few extra moments that it will take to hear them this evening. I assure the Minister of Natural Resources that if we do so, I will not be quite as long-winded as I usually am when discussing this Ecological Reserves Act. So in essence we will save time in the long run.

I do want to make this point, that when Bill No. 44 was brought forward in 1974 the Member for Fort Garry, the now Minister of Health had this to say and I quote, and this is in his opening remarks, he says: "Sir, I want to begin with apologies and thanks. I want to apologize to the House for having taken several days to reach a point at which I wanted to make my initial comments on this legislation and to thanks members and Ministers for allowing me and my party the time to give it the consideration at this stage that we wish to give it.

"I recognize that the legislation was introduced for second reading some days ago and that there have been some members of the Chamber, I think the Minister among them, who have been relatively anxious to hear from this side on the Bill. I know he

appreciates, however, that many members of the public, certainly members of the industrial community and many members of the general labour community, are deeply concerned about what is in this legislation; have wanted time to look at it; have wanted time to study it; have wanted time to refer it to various members in the House and various parties and compare observations and I trust therefore that the Minister has fully appreciated that the time I request at this stage of the study of the legislation, was justified and justifiable. The public as I have said in the labour community in general, obviously for excellent reason have a very deep and widespread interest in the Bill and they no doubt, in substantial degree and number, will be making representation when the Bill goes to Committee stage and the number of provisions contained in it."

Now I have to inform you that the Minister made those remarks on May 3rd; the Bill was first introduced on April 18th, 1974, so the "some days" he talks about is in actuality "some weeks" during which time people like the Injured Worker's Association who did appear before the committee in that year, had time to review the Bill, the opposition had time to review the Bill, and to develop the types of briefs and representations which can only benefit us as legislators.

You will recall that this Bill was introduced for second reading or was given second reading yesterday; that we stood it for one day; we spoke to it today and I think if we can spend probably less time than I have just spent in making these remarks listening to the members for the Injured Worker's Association, will benefit all of us. So I would suggest that we do that.

MR. CHAIRMAN: The Member for Minnedosa.

MR. DAVID BLAKE: Yes, Mr. Chairman, we're down to the last item of Reporting the Bill and I would suggest we make that motion that Bill be Reported and then we hear the delegation as a courtesy — and I assume questions would be very brief or there might not be any — and the committee can move on to the other Bill.

I move that Bill be Reported.

MR. CHAIRMAN: Okay, Bill be reported — pass. We will hear the presentation of the representative. Could you please state your name?

MR. LEN PRESTON: I was injured in 1960 and I am 100 percent disabled. There's a few things I would just like to point out to you gentlemen here tonight. In 1972 there was a formula set up, again in 1974 there was a formula set up, in 1976 the same and 1978 this is what I'm speaking on, with regard to this piece in the paper and a proposed legislation yesterday which came up in the House.

Now, injured workers hurt before 1969, in 1978 received 25 percent or a formula from 9 to 25 percent. Now with increase in inflation the present Government goes back to 18 percent. In other words, a cut of 7 percent in your pension. Not only that, they should have brought this pension in on a two-year formula in 1980. It should have been brought in last year. They reneged on this again and now we have lost another 12-1/2 percent working on the 1978 formula. I hope you follow me gentlemen.

Again, I would ask Mr. Cowan, as labour critic and every member of the ND Party, to vigorously protest this legislation; it's most regressive.

Thank you

MR. CHAIRMAN: Sir, could I have you name for the Committee?

MR. PRESTON: Preston.

MR. CHAIRMAN: Mr. Huta.

MR. JOHN HUTA: Injured Workers' Association, Executive Director. Mr. Chairman, honourable members.

As a result of such a late notice as we had received tonight at 5:00 p.m. that this Committee is sitting to hear presentation from interested groups and so forth. We didn't have the opportunity of preparing a brief that we would want to present at this time in regards to the news release last night on the news that it was 18.9 percent increase to the pensions. We didn't have enough time to prepare a brief, but we would like to voice our opinion that the increases awarded to these pensions are certainly in the right direction and we want to congratulate the Minister for that, but being the increases that they are, we certainly object to the increases that have been awarded.

The last increase was in 1978 and over the three-year period, which has resulted in the cost of living much, much, much greater than the 18.9 percent and everything seems to be rising to infinity. With this increase, it's certainly in the right direction, but its far, far from being what the injured workers really deserve.

Other points that I would like to mention before this Committee, which have been brought before the Workers' Compensation Board and I have brought it up before the MLA's and we didn't seem to get any response to it at all. The point that I'm trying to put across is, when the Compensation Board awards a pension, example 15 percent disability, a partial disability pension, and then the Board sees fit to increase this pension to the amount of \$1000 a month, when the injured worker reaches the age of 65, the Board takes away this additional pension and leaves him or her with this 15 percent disability. I don't think that this is right because I haven't got the Act with me, where I would read it out, and nowhere in the Act does it say that the Board can do this.

We had approached the Board, the Board says it's our own interpretation of this section and they seem to be hiding under this section 32 of the Act. If it states anywhere in the Act that they can do this at age 65, well I don't know, I must be totally illiterate not to be able to read age 65 there.

So therefore that is a serious point that has been brought to our attention of the Injured Workers' Association that the Board seems to be doing this quite regularly at the present time, because we heard from three different people just not too long ago. Prior to this I have never heard of the Board doing this. It's just recently that the Board started to do this.

Is it because the Injured Workers' Association with the Unions tried to get an investigation into the Workers' Compensation Board, to investigate workings and operations and maybe perhaps the

Board is trying to get back at the organization because of this? I don't think that this is right at all. I think that they should be fair and honest and interpret the sections just the way the section reads, and if the Board is satisfied that they should increase this pension \$2,000 a month because of the consumer price increases, I think that this pension should stay at that \$1000.00. What can you buy for a measly, let's use an example of \$100 a month; what could you pay, you can't even pay the gas bill with that \$100.00. Never mind clothing and food to the house.

Like I said we didn't have time to prepare a decent presentation but if the Committee would allow us to present a brief, a presentation at a later date, we would be willing to sit down and prepare a decent presentation reflecting on this bill in regard to this increase that was put through legislation.

So with this I would ask the Committee, this Cabinet, to allow us to make the proper presentation at a later date so that it could be presented in a decent manner.

Thank you.

MR. CHAIRMAN: Thank you, Mr. Huta. I'm informed that you can prepare your presentation and send it to the government if you so desire, but that it'll be pretty near impossible to present it to the Committee right at this time.

MR. HUTA: When is the Session ending?

MR. CHAIRMAN: Soon.

MR. HUTA: Is this 18.9 percent, is it passed already that the claimants are going to receive this or is it still in the Second Reading or whatever?

MR. CHAIRMAN: It's passed; it's passed this Committee.

MR. CHAIRMAN: The Member for Churchill.

MR. COWAN: Mr. Chairperson, perhaps I can explain to Mr. Huta some of the things which have transpired over the course of evening that may allay some of his concerns.

Firstly, of course, we'd all like to thank Mr. Huta and the other members who accompanied him and Mr. Preston, for taking the time to appear before the Committee on such short notice. I think his criticisms of the short notice are indeed justified and are shared by us from time to time.

During the course of the committee meeting this evening we have discussed the points that you brought forward, the increase, the way in which the increases are made. We also discussed the problem whereby an individual, who reaches 65 and is on a supplementary benefit is stripped of their supplementary benefit. The Minister has given us assurances that he will review all of those matters and a number of other matters and make any changes which can be made without legislation which he feels are appropriate and as well has promised to provide us with information on those questions we asked of him earlier.

I will be more than pleased to send transcripts of this evening's committee hearing and the Debates in the House to you, Mr. Huta, and that can bring you

up to date. Unfortunately, because of the fact that we're at the end of the Session it would be impossible to have another or be extremely difficult to have another committee meeting. I'm not certain that anything could be accomplished as we've already passed the bill through this Committee before you were able to get here this evening.

But the concerns that you brought up have been thoroughly discussed by all the Committee members and the Minister has given us an assurance to look at them, make changes where he is able to make changes and bring back information to us at the earliest possible opportunity so that we can discuss those problems in more detail.

At the same time, I know the Minister will accept the brief at any time if I can speak on his behalf. I can assure you that we would be more than happy to receive that brief and whatever meetings you feel are necessary in order to go over that material. So the doors aren't closed to you; it's just that different doors are opened.

MR. HUTA: The points that I brought up were only very, very few points that we are concerned about. Another point that we would like to bring up is in regard to some funding for the organization. And this being the year of the disabled I believe that we should receive some form of funding to be able to operate and help these aged people that are coming to us for help.

MR. COWAN: Just by way of explanation, Mr. Chairperson, the Minister will recall that we discussed that during his Estimates and that just by coincidence the copies of that discussion, the transcripts of that discussion, are in the mail to you today so that you will receive those in the near future. I'm certain that we'll be more than pleased to sit down with you and discuss them once you've had an opportunity to go through what was said during the Estimates on that very matter.

MR. HUTA: Okay. Thank you very much.

MR. CHAIRMAN: That finishes Bill No. 52.

BILL NO. 39 THE ECOLOGICAL RESERVES ACT

MR. CHAIRMAN: We'll now turn to Bill No. 39 — The Ecological Reserves Act. Page 1 — pass.
The Member for Churchill.

MR. COWAN: Mr. Chairperson, I have only one question which I feel is absolutely necessary to ask at this time and that's in respect to the Advisory Council. You will recall that during the course of the debate in the House we indicated that we felt it would be better if that Advisory Council was mandated legislatively rather than allowed to be developed and implemented at the discretion of the Minister. The Minister then informed us that there was already an Advisory Council of sort, indicated that he may be able to get minutes if they are available of the meetings of that Council to us and the implication, although it was not specifically stated, was that that Advisory Council would continue on and thereby we had no fears or should have no fears as to whether or not an Advisory Council should be legislatively mandated.

I'd ask the Minister if he's prepared, seeing as how there's already an Advisory Council in place, to make the simple alteration which ensures that Advisory Council shall be in place at all times. Because if it is imposed as a result of the discretionary decision on the part of the Minister it can be taken away based upon the same discretion. So we would feel more comfortable if in fact there could be an amendment brought forward that would, and I don't have the Act in front of me, but that would change I think the word from "may" to the word "shall".

MR. CHAIRMAN: The Honourable Minister.

HON. HARRY J. ENNS (Lakeside): Mr. Chairman, I should indicate to honourable members of the Committee and in particular to the Member for Churchill, who made this suggestion during the course of the Second Reading of the bill in the House, and in response I'd indicated to him that it was my understanding that they were like the . . . firstly, that this Advisory Committee did in fact exist and has existed for some time.

A further question was asked with respect to minutes — were they available? I have made that request of the department, regrettably with the short time span from yesterday to today it hasn't made that possible for me to have them available to members of the Committee.

I must also apologize by the way, Mr. Chairman, for not having some senior staff with me today. Members may or may not be aware if they follow the news media that the Canadian National Wildlife Services is in convention in Winnipeg today. I've had to excuse myself for my duties on this Committee, but senior staff people are occupied at that convention tonight.

Mr. Chairman, on the question that the honourable member raises, I suspect I can't say anything that will allay his concerns in this matter other than to let practice speak where words aren't believable I suppose. The practice simply is this — that we have designated or dedicated a full section in this otherwise short and brief bill to the concerns of how an Advisory Committee will operate, provisions within the Act of how the Advisory Committee can elect their Chairman; that is to say that the Advisory Committee members shall appoint from among their own a chairman; provision as to how meetings and quorums shall be held; provisions for the usual out-of-pocket expenses or remuneration that governments make available to members of the public who serve on such committees.

So I would really have to suggest to the honourable members of the Committee that there really is no difference of opinion here. It's obvious by practice that the government has every intention of doing precisely what the Honourable Member for Churchill is suggesting. It seems to me therefore a play on words as to whether or not we change the "may" to a "shall". I must say that I will not accept any amendment to the bill in that respect.

MR. COWAN: Just to answer then, Mr. Chairperson. I would suggest that we could move the amendment but it's obvious that it would be voted down by the Committee. So I think it is enough to let it stand on the record that we are in favour of that amendment and would have liked to have seen that amendment

and do have some concerns and hope that the Minister over the years can prove us wrong or at least prove our concerns to be not necessary, but only time will tell and I guess we will have allow that time to transpire.

MR. HENRY EINARSON (Rock Lake): Page-by-page, Mr. Chairman.

MR. CHAIRMAN: Page 1 — pass; Page 2 — pass; Page 3 — pass; Page 4 — pass; Page 5 — pass; Page 6 — pass.

The Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I have an amendment here. I move that Sections 13 of Bill 39 be amended by adding thereto immediately after the word "Act" in the last line thereof the words "or the regulation made thereunder".

MR. CHAIRMAN: Page 6 — pass as amended.

MR. ENNS: Mr. Chairman, I'm advised that is a fairly routine addition that Legislative Counsel recommends that we make that simply is in keeping with the usual practice.

MR. CHAIRMAN: Page 6 — pass as amended; Preamble — pass; Title — pass; Bill be Reported.

MR. ENNS: Mr. Chairman, I would like to place on the record that the Honourable Member for Churchill does on occasion keep his word with respect to contribution or commitment made to this Committee and certainly this evening he has demonstrated that.

MR. CHAIRMAN: Committee rise.