

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 18 June, 1987.

Time — 1:30 p.m.

OPENING PRAYER by Madam Speaker.

MADAM SPEAKER, Hon. M. Phillips: Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I would like to table the Annual Report of the Department of Community Services, for the year 1986-87. Our 1985-86 Report was tabled toward the end of last year's Session, so this is the 1986-87 Report.

MADAM SPEAKER: Notices of Motion . . . Introduction of Bills . . .

INTRODUCTION OF GUESTS

MADAM SPEAKER: Before moving to Oral Questions, may I direct the attention of honourable members to the gallery, where we have 54 students from Grade 5 from the Burntwood School, under the direction of Mr. Arlan Dale. The school is located in the constituency of the Honourable Member for Thompson.

On behalf of all the members, we welcome you to the Legislature this afternoon.

ORAL QUESTIONS

Decter Report - amalgamation of MHSC and Dept. of Health

MADAM SPEAKER: The Honourable Leader of the Opposition.

MR. G. FILMON: Thank you, Madam Speaker. My question is for the Minister of Health.

I understand that he has received the report of Michael Decter, the former senior bureaucrat of this administration, into the reorganization of the Department of Health, and I wonder if he could indicate whether it has recommended the amalgamation of the MHSC together with the Department of Health, with the establishment of new Assistant Deputy Minister positions - three of them as I understand - and one new Associate Deputy Minister position.

MADAM SPEAKER: The Honourable Minister of Health.

HON. L. DESJARDINS: Madam Speaker, if my memory serves me right, I think that I gave a copy of this report

to the Health critic during the Estimates. I think you have that.

Proposal to reorganize the Dept. of Health

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate whether or not he has put forward a proposal to reorganize his department along those lines, with the addition of Assistant Deputy Ministers and a new Associate Deputy Minister position.

HON. L. DESJARDINS: Surely, Madam Speaker, if I give a copy of the report to the Opposition, they don't expect me to go and read it to them at bedtime also? You've got the information.

SOME HONOURABLE MEMBERS: Oh, oh!

MR. D. ORCHARD: No, we haven't got that information.

MR. G. FILMON: Madam Speaker, as I understand it, that is a recommendation of this Minister. Is this Minister proposing to add three Assistant Deputy Minister positions and one Associate Deputy Minister position in his department?

HON. L. DESJARDINS: The three Assistant Deputy Ministers - an associate Deputy Minister for the time being, yes. The present Deputy Minister intends to take an early retirement, in about a year or so, and I've recommended an Associate Deputy Minister who can immediately take over the planning and the communications and so on of the department and be in line to step in the Deputy Minister's place.

Yes, the other recommendation that I made was the Executive Director of the Commission, which we had the present Deputy Minister holding that position. I'm at a loss to know where the two Assistant Deputy Ministers . . .

MR. D. ORCHARD: It wasn't in the report you had given us?

HON. L. DESJARDINS: Now, he's asking a straight question. Before that, he was asking me about the . . . Why did you bring in the question about the Decter Report?

MR. G. FILMON: No, I asked if you had made a proposal, let's get the facts straight.

HON. L. DESJARDINS: Well, all right, I'm answering you. You asked me about the report of Decter.

MR. H. ENNS: How about trying to be straightforward for a change, Larry.

HON. L. DESJARDINS: You wouldn't understand.

MR. D. ORCHARD: You're right we wouldn't, because we never get it.

**Dept. of Health - cost implications
of reorganizing department**

MR. G. FILMON: Madam Speaker, I wonder if the Minister could indicate the cost implications of his reorganization of his department.

HON. L. DESJARDINS: Madam Speaker, we're at the recommendation yet. When and if it becomes a fait accompli, I'm sure that we'll be able to give you the salary, if anything. We are not creating - there'll be one extra person. In fact, there's no extra person, there's no extra staff year at all.

**Final offer selection - interference
with free collective bargaining process**

MR. G. FILMON: Madam Speaker, my question is to the Minister of Labour.

Madam Speaker, today, as we have had for successive days, we have indication of yet another major union organization lining up against the final offer selection bill. In addition to MONA, CAIMAW, ILGWU and CUPE, we now have the Manitoba Association of Health Care Professionals.

Madam Speaker, my question to the Minister is all of these organizations have said that the bill represents a gross interference with the free collective bargaining process. They have said that it's ill-considered and it's unwarranted. Will the Minister listen to these people and withdraw the legislation?

MADAM SPEAKER: The Honourable Minister of Labour.

HON. A. MACKLING: Madam Speaker, the provisions that we have introduced for final offer selection are merely another option, another mechanism of resolving labour-management disputes. Despite the fact that there are some differences of opinion in union circles, the majority of unions represented by the Manitoba Federation of Labour believe that this legislation is responsible and should be introduced. Madam Speaker, the bill provides for a period of time, a five-year period, in which there can be a sufficient trial of this innovative system. We're confident it will add, and not detract from, good collective bargaining, and we believe that in the interests of workers in the Province of Manitoba, to have option . . .

MADAM SPEAKER: Order please.

May I remind Honourable Ministers, this is not the time for debate.

**Final offer selection - proceeded with
without response from Labour
Management Review Committee**

MR. G. FILMON: Madam Speaker, in resigning from the Labour Management Review Committee, David Newman, a former member of that committee, stated that this Minister proceeded with the final offer selection bill without waiting for a response from the Labour Management Review Committee.

Madam Speaker, why would this Minister not have waited for the response? Why would he proceed headlong without having the advice of a committee that he says he respects and play a vital role in labour management relations.

HON. A. MACKLING: Madam Speaker, I met with David Newman, along with members of the Labour Management Review Committee, some days ago, some weeks ago, and pointed out to him that while I understood his concern, the fact is that we referred the question of final offer selection to that committee almost two years ago, and had had no formal response indicating what disposition the Labour Management Review Committee had made of that matter.

I recognize that Mr. Newman has been critical of this government; he has been critical of every piece of labour legislation that has been introduced by this government, labour legislation which produced an excellent labour relations environment, despite his protest.

MR. G. FILMON: Madam Speaker, will the Minister indicate whether he was informed that the reason the Labour Management Review Committee and its subcommittee that looked into final offer selection could not report to him was because the two labour representatives, Mr. Bernie Christophe and Mr. Wilf Hudson, would not participate in preparing their side of the story on that particular legislation?

HON. A. MACKLING: Madam Speaker, I heard the concerns of members of the Labour Management Review Committee when I met with them, and I pointed out to them then, and I respond to the Leader of the Opposition now, this government, and previous governments, have not made formal demands on that committee. They have not put time lines on and demanded that they reach agreement in respect to matters that were referred to them. It is a useful sounding board, it is a useful committee, a very partisan committee that meets and exchanges views. But we don't make a formal demand on that body to come to specific policy agreements for recommendation to government. And what disagreements existed within that committee is for the committee to answer, not this Minister.

**Final offer selection - Min.
to withdraw**

MR. G. FILMON: Madam Speaker, given that all employer and business groups have indicated their opposition to final offer selection; given that every day new union groups indicate their opposition, we're now up to the point where over 32,000 unionized people are represented by their unions who say they're opposed to it; given that all of them state that there are major problems with this legislation coming into being in Manitoba, will the Minister admit that he has made another major blunder and forget his IOU to Bernie Christophe and withdraw the legislation?

HON. A. MACKLING: Madam Speaker, the honourable member refuses to recognize the fact that the Manitoba Federation of Labour that is composed of a broad cross-

section of labour unions in this province, by an overwhelming majority, approve of final offer selection as a further dispute resolving mechanism that should be advanced in labour relations law in this province. That was a decision of organized workers in this province and we recognize that decision and accept it.

Community Services Estimates - reason for using last year's report

MADAM SPEAKER: The Honourable Member for Rhineland.

MR. A. BROWN: Thank you, Madam Speaker. My question is to the Minister of Community Services.

During this year's Estimates which have just been completed we used a report which had been tabled almost a year earlier, so the information that we were dealing with was one year old. My question to the Minister is this: Can the Minister explain why a report that was a year old had to be used during Estimates when obviously an up-to-date report could have been available?

MADAM SPEAKER: The Honourable Minister of Community Services.

HON. M. SMITH: Madam Speaker, I think I might get a calendar and a filing cabinet for the member opposite. The annual reports that are tabled in this House are, currently for this Session, people are tabling their '85-86 report. We, in fact, tabled ours at the end of last Session and, therefore, that information is available. In addition, Madam Speaker, there was a Supplementary Information Report tabled at the time of Estimates and very many pieces of information tabled during the Estimates procedure and, of course, in the many hours of discussion, so I really cannot see where the questioning member has any grounds for criticism. I think, if anything, we should be congratulated for being ahead of the game.

Community Services - up-to-date report tabled before next Estimates

MR. A. BROWN: Madam Speaker, my question is to the same Minister.

With the annual report being tabled today, and it's obvious that we again will be dealing with Estimates which are one year old during the next Estimates, will the Minister table an up-to-date report before the next year's Estimates?

HON. M. SMITH: Madam Speaker, I think the member did not listen to the answer I gave.

We will be tabling annual reports when they're ready. In this case we are a year ahead of many departments. We will be tabling Supplementary Information, as has now become the general practice for all departments prior to our Estimates, and we will be very generous with our time and additional information during the Estimates process.

I really don't know, Madam Speaker, what more can be expected of a department.

MR. A. BROWN: My question is to the same Minister.

The new report has statistics that say that child abuse cases are up by one-third, and there were six deaths within Child and Family Services. Is this the reason why the report was not available during the Estimates, so that the Minister could hide these statistics from us during the Estimates?

MADAM SPEAKER: Order please.

Would the honourable member please refrain from imputing motives to an Honourable Minister?

The Honourable Member for Rhineland.

MR. A. BROWN: With these statistics, Madam Speaker, we were wondering whether this is the reason the report was not dealt with during the Estimates, why this report was not made available earlier.

HON. M. SMITH: Would the honourable member please make it clear that he is not imputing motives to the Honourable Minister?

MR. A. BROWN: Why were these statistics not released during the Estimates, when we were working on Community Services?

HON. M. SMITH: Madam Speaker, I'm not sure that the Opposition ever used to table those statistics, but we in fact did. We tabled statistics on the abuse during the Estimates. In fact, I think we tabled some right in this very House during question period prior to the Estimates.

If the member has not compiled all his information and have it available so that he knows what information we have made available, I really can't take responsibility for that, Madam Speaker.

International Baccalaureate Program - students forced to pay fees for

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Madam Speaker. My question is to the Minister of Education.

Over the past seven years, certain school divisions in the City of Winnipeg have offered the International Baccalaureate Program as a viable alternative for students who wanted an enriched academic experience. This program has proven itself to be valuable over this period of time, and yet students who live in areas in which they cannot access that system throughout their own school division, are forced to pay fees of up to \$1,100 in order to take this program because the Minister refuses to remove the designation of pilot program.

Why does he insist on leaving that designation when this program has proven itself for seven years?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.

I think the Member for River Heights also knows that there are several other programs that are currently on

pilot status and, of course, divisions are free to investigate the potential for enrolments in the I.B. Program.

Having said that, Madam Speaker, I believe the member raised in Estimates this question last year; we discussed it at length and I said that, although this is a particular program, individual school divisions offer enriched courses, enriched high school programs, in different ways throughout the province, and that as part of the High School Review exercise, I felt that it was important that we examine the whole question of how we offer, on a provincial basis, programs which offer enrichment opportunities for high school students, and I think it is something that needs to be addressed.

International Baccalaureate Program - removal of discrimination

MRS. S. CARSTAIRS: With a supplementary question to the same Minister, Madam Speaker.

When will this Minister reduce and remove this blatant discrimination which makes it possible for children whose parents have money to attend these programs, but children who come from families with limited income are prohibited from attending these programs?

HON. J. STORIE: Madam Speaker, divisions are free to embark on programs as they see fit. The fact of the matter is if you live in certain divisions you have access to this program and the whole question of the appropriateness of the I.B. Program versus some other approach to enriched programming is something I've said we're addressing.

Continuing Education for Seniors - re-establishment of funding for

MRS. S. CARSTAIRS: Madam Speaker, a final question but on a slightly different topic, to the same Minister.

This government is reducing, unfortunately, its commitment to the continuing education of our senior citizens. As examples, \$20,700 has been removed from the Senior Citizen Centre's Education Program, and the Age and Opportunity Program have been told that their \$11,000 grant this year will be their final one.

Will his department reconsider and re-establish this funding towards continuing education for our seniors, which permits them to live not only healthier, but happier lives?

HON. J. STORIE: Madam Speaker, I'd like to take the specifics of that question - I'm not aware of the latter issue that was mentioned by the Member for River Heights. I do know that the Winnipeg School Division has reduced some funding. I'm not aware of the implications of reduced funding as far as the Department is concerned.

The member also knows that in terms of continuing education we have had to set some priorities to make sure that continuing learning and life skills programming receive the maximum of support. We have done our own studies within the department and they have been done across Canada which show that the majority of people involved in up-grading and professional

development actually come from backgrounds where they have one or more degrees - so it is not a question of the disadvantaged having access to the program, but the relatively more advantaged.

The intention is not to cut funding at all to adult and continuing education - (Interjection) - but to target more directly.

Mulligan Report - release of report

MADAM SPEAKER: Order please.

The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, I direct my question to the Minister responsible for Transportation.

Yesterday, in response to my question as to the status of the Dr. Mulligan study, that study looking into the effectiveness of mandatory seat belt legislation within the province, I inquired of the Minister as to the status of that report. He indicated it was prepared in preliminary form. My question to the Minister: Will this report, including its executive summary, be released in the fashion that it was written by Dr. Mulligan? Will there be any change directed toward that report or will it be released in its entirety as written?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: I think, Madam Speaker, the staff who were reviewing that report have reviewed that report and as well, as I indicated yesterday, federal officials. There will be a review done and consultations done with Dr. Mulligan for clarification of some portions of the report.

However, I think that the report is going to - as I indicated yesterday - demonstrate clearly that the seat belt law in Manitoba has been effective in reducing serious injuries and costs to the government. Certainly, it will be something that the members will be very interested in receiving. I look forward to that opportunity. As a matter of fact I would hope that we would have at least a summary of that report available when the seat belt resolution is discussed in the House later on.

Mulligan Report - was critique done

MR. C. MANNES: Madam Speaker, given the answer by the Minister which seems to suggest the executive summary that we may receive in due course may be altered, can the Minister responsible for Transportation indicate - when he says the Department did an analysis - can he indicate whether his department or a member of his department, whether they did a critique; and secondly, can he indicate whether that critique can be made public?

HON. J. PLOHMAN: As a matter of fact, Madam Speaker, I believe that is the critique, the information that I hoped would be available, the summary that the department had done as a result of the study, so it would be available for my perusal before the debate on the resolution here. I feel that it is very important to get that information to the House and to the public because it has been, I think, a rather exhaustive study

over a period of years. It has taken much longer to do than we had hoped and therefore I'm very anxious for the results of that information. I do think it is a positive study, a supportive study to the law that has been in place, and look forward to its release.

I might remind members just in elaboration to what I indicated yesterday to the House, that there has been a drop, despite the fact that deaths had increased in the province, that there had been a drop in serious injuries over the three year period, something that the member did not refer to in his statements yesterday, a 22 percent drop, from '84 to '86 in serious injuries.

MADAM SPEAKER: Order please.

The Honourable Member for Morris.

MR. C. MANNES: Madam Speaker, the Minister didn't answer my question as to whether or not the critique done by members of his staff will be made public or not.

Would the Minister care to answer a third question, or attempt to answer one of my questions? Will he share with us the essence of the critique he is not prepared to share or not to table?

HON. J. PLOHMAN: I don't know, Madam Speaker, that there is any formal critique. I do have information from staff on various subjects, Madam Speaker, from time to time. The fact is that there is a summary that was done, that I said that I would be prepared to share with the members, and I think it will be quite illuminating to them to have that information.

The fact is, Madam Speaker, that these members across the way, despite the fact that their leader voted for this legislation in 1983, are trying to undermine it and therefore to undermine the credibility that people place in this legislation in the use of seat belts, that will result in greater pain and death and suffering in this province through the efforts of this Member for Morris.

MR. C. MANNES: Madam Speaker, a final supplementary, a very direct question to that Minister.

Was the critique done or not by members of his department, or somebody within government, critiquing the Dr. Mulligan study?

HON. J. PLOHMAN: Madam Speaker, I've indicated there has been analysis and summaries done for my information and there is ongoing discussions with Dr. Mulligan on this, and many of the points that were pointed out and discrepancies in the report were agreed to by the people who did it and they have agreed to make some revisions to some portions. Of course that is not unusual when major studies such as these are done.

I have indicated as well that as a result I have a summary of information that I would like to make available, notwithstanding the fact that in order to have the complete report released, I have to have federal agreement because it is a report that was done under the subagreement by both levels of government and once we have that, the complete report will be made available.

Lap-belted rear seat occupants - deaths from seat belts

MADAM SPEAKER: The Honourable Member for Springfield.

MR. G. ROCH: Thank you, Madam Speaker, my question is to the Minister of Highways and Transportation.

Given that the Minister refuses to table the Mulligan Report in its entirety and refuses also to table the critique of that report, Madam Speaker, can the Minister indicate whether or not lap-belted rear seat occupants of cars have died as a result of wearing seat belts?

MADAM SPEAKER: The Honourable Minister of Highways and Transportation.

HON. J. PLOHMAN: Madam Speaker, there has been a substantial amount of information included in that very lengthy report over a number of years. It has reached conclusions on various aspects of the legislation, of the requirements - different kinds of seat belt assemblies, different kinds of results. Certainly the issue of back seat belts, lap belts only, would demonstrate that they're certainly not as effective in preventing injuries as shoulder and lap belts. That was known, that was something that was discussed during the time this legislation was introduced - something that everyone should be able to understand. It seems to make sense.

I would like to see that there would be shoulder belts required at the same time as lap belts, even in the back seats of cars instead of just lap belts. But those matters, in terms of the specifics and the numbers, will all be part of that report when it is released.

Mulligan Report - recommendation to alter

MR. G. ROCH: To the same Minister.

Within the critique done by the Minister's department, was there a recommendation that Dr. Mulligan's report, or I should say, Dr. Mulligan's executive summary be altered?

HON. J. PLOHMAN: I've just answered this question in response to the Member for Morris, who asked precisely the same question. I indicated, the Member for Springfield obviously wasn't listening in this House, wasn't paying attention. I indicated at that time, there were some ongoing discussions and some revisions that would be done as agreed upon by both parties.

MR. G. ROCH: Madam Speaker, again within that same critique, is it suggested that the Provincial Government knew that its seat-belt legislation could result in fatal injury, subjecting the province to potential losses?

MADAM SPEAKER: Order please.

That question seeks an opinion, if the honourable member would care to rephrase it.

MR. G. ROCH: Does it state in that report, Madam Speaker, that the province's seat-belt legislation could result in this province being subjected to potential lawsuits?

HON. J. PLOHMAN: Madam Speaker, I said I was going to release the whole report. I have not got involved

specifically in the details of the report as to whether it said that or not. I can tell the member that my staff have been working with the consultants in that regard, and they will be agreeing on whatever revisions are required, and clarifications in that report and it will be released in its entirety at that point in time.

MADAM SPEAKER: The Honourable Member for Springfield with a final supplementary.

MR. G. ROCH: Will the Minister table the report and the critique immediately? Because if the Minister is not prepared, I am prepared to make public an overview of Dr. Mulligan's . . .

MADAM SPEAKER: Order please.

MR. G. ROCH: Madam Speaker, I would ask the Minister if he is not prepared to table the report and the overview and the critique, I am prepared to make that report public.

MADAM SPEAKER: Order please.
That is not a question.

MR. G. ROCH: Madam Speaker, did the Minister not receive a copy on May 20, 1987, which was circulated to all NDP caucus members on May 22 of the same year? Is he prepared to make that public, because if he is not I'll make it public, Madam Speaker?

HON. J. PLOHMAN: Madam Speaker, I don't recall whether this was distributed or whether I had sent copies. I have not indicated that I have not received copies of the initial report. What I'd said is that the staff are working with the consultants, with Dr. Mulligan, and working through the report with him. I am not involved in that process, and that is clear, Madam Speaker.

MACC - Interest Rate Buy-down Program - purchase of interest deductible

MADAM SPEAKER: The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you.
There was a question taken . . .

SOME HONOURABLE MEMBERS: Oh, oh!

MADAM SPEAKER: Order please, order please.
The Honourable Minister of Finance.

HON. E. KOSTYRA: Thank you, Madam Speaker.

MADAM SPEAKER: Order please, order please.
The Honourable Minister of Finance has the floor.

HON. E. KOSTYRA: Thank you, Madam Speaker.
I had taken a question as notice, along with the Minister of Agriculture, regarding the Manitoba Agricultural Credit Corporation Buy-down Program which was announced in the Budget and subsequent details announced by the Minister of Agriculture as

part of this government's efforts to assist the farm community.

There was a question raised by two members opposite with regard to the situation as to how the interest, given that is allowing for a change in the way the interest is dealt with under that program, how that is going to be dealt with under the provisions of The Income Tax Act. It's our opinion that will be allowed in the normal fashion as is other charges for interest. We have contacted Revenue Canada to get that confirmed. Revenue Canada indicated to us that they are not prepared to confirm that verbally and would want a specific written request from the government for a ruling. That is in the process of being done asking for the specific ruling from Revenue Canada.

Continuing Education for Seniors - re-establishment of funding for

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Thank you, Madam Speaker.
Further to the questions raised by the Member for River Heights earlier in question period, I can indicate that - and in fact I do have correspondence from the Age and Opportunity Centre indicating - the Winnipeg School Board has made a decision to reduce funding and eliminate funding by the year 1988 to the Age and Opportunity Centre. I can also indicate that the funding that has come by way of support from the New Initiatives Program from the department is being considered at this time and it's anticipated that they will receive the same level of funding although that decision has not been finally met for 1987-88.

Frontier School Division - expected to accommodate loss

MADAM SPEAKER: The Honourable Member for Lakeside.

MR. H. ENNS: Thank you, Madam Speaker.
Madam Speaker, I direct a question to the Minister of Energy and Mines. In doing so, I acknowledge, I'm sure, the relief felt by the community at Leaf Rapids that there seems to be a little longer life proposed for that . . .

Madam Speaker, included in that arrangement is the specific additional government assistance of relieving the new owners, Hudson Bay Mining and Smelting, of approximately \$750,000 of the Foundation Educational Levy as a form of assistance in making that deal possible.

My direct question to the Minister is: Will the School Division - I believe it's Frontier School Division - be asked to accommodate itself to that \$750,000 loss, or will in fact the Provincial Treasury be called upon to replace it?

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: Yes, Madam Speaker, I'm pleased to answer that question.

Thursday, 18 June, 1987

This was done in the context of, I think, a responsible effort on the part of the Government of Manitoba, Sherritt Gordon Mines and Hudson Bay Mining and Smelting, plus the community and all people involved, to try and do everything possible to keep the Ruttan Mine operating and keep the community of Leaf Rapids operating. I think everyone acted in a responsible and visionary manner.

With respect to the specific question, the amount would be \$769,000, which is a special levy that is only levied on this one particular mining company in relation to the Leaf Rapids town site and school district, and the monies would be provided if there was a shortfall from the Mining Community Reserve Fund, which is a fund that was set up by government many years ago for purposes of ensuring that if there are these types of transitions or shortages with respect to communities themselves that monies can be drawn from that fund for the purposes of ensuring that the services are maintained within the community.

A previous example of the Mining Community Reserve Fund being used was in the example of Lynn Lake. When they went through an adjustment, funds were drawn from the Mining Community Reserve Fund for purposes of providing additional revenues that were required because of municipal and school tax shortfalls.

MR. H. ENNS: I thank the Minister for that answer. A supplementary question to the same Minister, Madam Speaker.

The additional \$500,000 that is involved in additional exploration to hopefully secure a still longer life for that mine, I take it that that money is being advanced by the Provincial Treasury and not the Mining Reserve Fund.

HON. W. PARASIUK: Madam Speaker, I think it was probably about a year ago in our discussions with the previous owner, Sherritt Gordon, we indicated that the province was prepared to put up \$500,000, along with \$500,000 coming from the company to explore a mineral area called the west anomaly (phonetic) which is adjacent to the Ruttan Lake mine, to determine whether in fact there was sufficient economic ore to provide for continued operations of the mine beyond 1990.

That offer was made to Sherritt Gordon; they didn't take us up on it, but when Hudson Bay Mining and Smelting had their discussions with Sherritt Gordon, they asked us if that offer would stand through them, and we indicated, yes. That money will be drawn from the provincial Jobs Fund and it will be drawn when the company, having got in there and run the operations for a period of time, makes the decision within the next, say six months, nine months or a year, that they would proceed with that exploration and develop it.

Continuing Education grants to seniors for credit courses only - continuation of

MADAM SPEAKER: The Honourable Member for River Heights.

MRS. S. CARSTAIRS: Madam Speaker, to the Minister of Education.

Is it still the department's intention to continue, in fact enhance, continuing education grants for credit

courses, rarely taken by senior citizens, but to eliminate or reduce funding for all other continuing education courses in the province, as of September 1?

MADAM SPEAKER: The Honourable Minister of Education.

HON. J. STORIE: Madam Speaker, I'm not sure what the member meant by "credit courses." The department certainly will be supporting other than credit courses. If the member is referring to credit, by that meaning courses that relate to upgrading skills, literacy skills, those kinds of things, I've said before that those are the priority, but I don't think it would be accurate to say that the department is only funding credited courses through its Adult Continuing Education Program. Clearly, that's not the case.

What we have said is that recreational courses, those courses that are of a less urgent nature, more of a personal nature, will no longer be funded through the mechanism of the grant program that's in place in the Adult and Continuing Education Division.

MRS. S. CARSTAIRS: To the same Minister, Madam Speaker.

The department has indicated that it will increase grants to courses for high school credit; it will reduce payment to courses which upgrade skills; and it will eliminate funds for courses which do not meet either of that criteria. Are those rules presently under review and will be, hopefully, changed by September 1?

HON. J. STORIE: I believe that the member was essentially correct the last time she phrased the question. The answer is no, those guidelines are not under review by me. There have been indications, I believe, to school divisions that specific courses that were funded previously, that are in the grey area between upgrading basic skills, initiatives, will be reviewed.

But the general intent of the program, if that's what the member's question is, is not under review. There are a limited number of dollars, and clearly the dollars need to be spent on individuals who are upgrading their basic skills to allow them to compete.

I should indicate to the member, and I believe the member is aware of this, that our universities and our community colleges, do offer courses to senior citizens, tuition-free in essence, that those courses are available and have been for some time. So I don't want the member to leave the impression that somehow seniors are being ignored in this process. There are opportunities available for them, and they are supported by one way or another through the government and have been for some time.

MADAM SPEAKER: The time for Oral Questions has expired.

SPEAKER'S RULING

MADAM SPEAKER: Before moving to Orders of the Day, I have a Speaker's Ruling to present to the House.

One June 15, 1987, the Honourable Member for Pembina rose on a point of order respecting whether

or not time spent on points of order during debate is to be deducted from a member's total speaking time.

This matter is not dealt with by the Rules of the House. It is the practice of this House to extend the Oral Question period by the time taken on points of order raised during it. However, the research carried out on this matter did not reveal any rulings, precedents or long-standing practices with respect to points of order raised during debate.

Our subrule 1(2) refers us to the House of Commons of Canada in unprovided cases. I have, therefore, investigated the practices followed in that House in this type of situation. I find that each case is assessed on its own merits by the Speaker or other Presiding Officer. Compensating time is added where a member has been interrupted by frivolous or unwarranted points of order, but, where in debate a member has blatantly provoked the raising of legitimate points of order, no time is added.

I am, therefore, ruling that generally speaking, time will be added unless a member has blatantly provoked the raising of legitimate points of order. I wish to thank the Honourable Member for Pembina for drawing this matter to the attention of the House.

ORDERS OF THE DAY HOUSE BUSINESS

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: Yes, Madam Speaker.

Before moving the motion to move us into Committees of Supply, I'd like to indicate on the matter of House Business, that through agreement with the Opposition House Leader, we will be calling two committees on Tuesday evening, at eight o'clock, June 23, to deal with bills referred to them.

The Standing Committee on Statutory Regulations and Orders, and the Standing Committee on Industrial Relations and, as well, those two committees or either one of those two committees will meet on Thursday evening at eight o'clock, if it is required to carry on the work that they have before them.

I also understand that we will be proceeding into Private Members' Business today as well.

MADAM SPEAKER: The Honourable Opposition House Leader.

MR. G. MERCIER: Just by way of clarification, Madam Speaker, perhaps the Government House Leader would like to indicate then that the House will debate Bill No. 61 tomorrow, and all afternoon and evening on Monday.

HON. J. COWAN: Yes, it will be my intention to call Bill No. 61 tomorrow, and as well to begin the proceedings on Monday, by calling Bill 61. We have an agreement that we will use our best efforts to finalize the debate on Bill 61 by Monday evening, so that it can be before committee on Tuesday. There will be speakers from both sides of the House, I'm certain, on that bill. We expect that bill will be before the committee on Tuesday.

Of course, Madam Speaker, if we do complete all of those who wish to speak or do have opportunity for all those who wish to speak on Bill 61 on Monday, we would then carry on into Estimates.

MADAM SPEAKER: The Honourable Government House Leader.

HON. J. COWAN: I move, seconded by the Minister of Finance, that Madam Speaker do now leave the Chair, and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented.

MATTERS OF GRIEVANCE

MADAM SPEAKER: The Honourable Member for Niakwa.

MR. A. KOVNATS: Madam Speaker, I rise today to present my grievance, my first grievance that I've ever presented in the Legislature. I feel compelled at this time to present this grievance, inasmuch as it will be dealing with the decorum and the manner in which the members acknowledge and respect the Chair and the Chairman of Committees, and the Rules and Regulations of the House, Madam Speaker.

It's been an exciting week inasmuch as . . .

MADAM SPEAKER: Order please, order please.

Can honourable members please carry on private conversations elsewhere so that we can continue with the business of the House?

The Honourable Member for Niakwa.

MR. A. KOVNATS: Thank you, Madam Speaker, and thank you very much for your consideration.

I would, at this time, just like to advise that it has been a very exciting week inasmuch as I have seen things that have happened that have never happened before, Madam Speaker. It disturbs me, and that is what really initiated my grievance here today.

I see the actions of a desperate government, Madam Speaker, a government that is riddled with mismanagement, incompetency and ineptness. Yesterday in committee, when we were discussing the Minister's Salary, Committee of Government Services, we were discussing the Minister's Salary, we had occasion where I was acknowledged as the speaker in a particular line of questioning, and the rules were changed at 4:53 p.m. in the afternoon. Just seven minutes before the adjournment hour, the rules were changed, Madam Speaker.

Now, I'm not against changing rules, and this government can do whatever they like -(Interjection)- It's unparliamentary? Well, I'll wait for a ruling from the Speaker. But I'm not against rules being changed as long as they are done in the proper manner. The rules were altered, rather than changed, if that is unparliamentary. I think that I was embarrassed. I did have the floor and the chairman of committee saw fit, when it was my turn, when it was my line of questioning, to not allow me to continue my line of questioning.

MADAM SPEAKER: . . . caution the honourable member, it's unparliamentary to reflect on a presiding officer, and would he please tread very carefully from here on in, in the line that he's taking?

MR. A. KOVNATS: I'm sorry, Madam Speaker. I was trying to explain the situation rather than be unparliamentary and, if I step too far, I would hope that the Speaker would let me know.

When we get down to the situation, it was that I did have my turn at speaking and I was in a line of questioning, and the Chairman of Committee ruled that I was not the next speaker, even though the regular routine is that we follow, and whoever is in the speaking order has the opportunity to continue their line of speaking.

The Chairman, at this point, acknowledged the Minister of Education. I thought that the Minister of Education was going to say something on a point of order, Madam Speaker, so I allowed him to start and then, when I found out that it wasn't a point of order, I did raise a point of order. Am I in trouble again?

SPEAKER'S RULING

MADAM SPEAKER: May I remind the honourable member, I recognize that he has risen on a grievance and he has some concerns that he wants to place before the House. However, there are many mechanisms for raising those concerns, particularly at the time the matter happens. May I refer the member to Beauchesne 316(j) which says, while speaking, a member ". . . must not reflect upon the past acts and proceedings of the House."

So in terms of the way a point of order was raised, dealt with, the conclusions or the outcome of those kind of proceedings, the time to deal with those is when it happens, not after. We ought not either to criticize, incidentally or straight out, the presiding officer of a committee, or the past acts and decisions that were made procedurally of a committee.

So that's particularly why I'm having some problems with the direction the honourable member's taking, and I do want to caution him to be very circumspect in what he's raising.

MR. A. KOVNATS: I'm sorry, Madam Speaker. I do have some knowledge of the rules and I'm at a loss on how to explain a problem that is a real problem, because the Chairman of the committee did make a ruling at the advice of the - well no, he made a selection of speakers, rather than a ruling. He made a selection of speakers at the advice of the Minister who was sitting beside him, which was contrary to the manner in which we normally follow the rules and regulations.

POINT OF ORDER

MADAM SPEAKER: The Honourable Minister of Energy and Mines.

HON. W. PARASIUK: I'd like to rise on a point of order. I was at the meeting, and I think it would be grossly unfair to say that the Chair made any selection on the basis of advice from a Minister or anyone else. The

Chair indicated at the time, indicated this in Hansard, that he had kept a list, and that he made that choice.

There are no rules that cover that, Madam Speaker, just as when you recognize three supplementaries to a question or four supplementaries or five supplementaries, even though other people might be standing. I don't think that would warrant rising on a grievance and saying somehow that the presiding officer changed rules by recognizing people on that basis.

So, Madam Speaker, to get up and say that people change rules is unparliamentary. Secondly, to say that the presiding officer made a selection on the advice of a Minister is clearly unparliamentary and out of order.

SPEAKER'S RULING

MADAM SPEAKER: Both on the Honourable Minister's point of order and in my cautions to the honourable member, where I've pointed out Beauchesne 316(i), may I also remind the Honourable Member for Niakwa that, where this is referring to the Speaker as presiding officer, it also refers to presiding officers in committee, other presiding officers of this House.

It says, very clearly, in 117: "His actions cannot be criticized incidentally in debate or upon any form of proceeding except by way of a substantive motion." So the Honourable Minister does have a point of order, and the Honourable Member for Niakwa is out of order by continuing in this line of debate about proceedings of a committee and the actions and decisions of a presiding officer.

The Honourable Member for Niakwa.

MR. A. KOVNATS: Madam Speaker, I'm at a loss of words, where I thought that I, as a representative of the people of Niakwa, would be able to get up and speak my mind. I wasn't intending at all to condemn so much as to bring out a point that was bothering me, where I felt that I was being censored and censured, and this was my whole intent. If I am speaking out of order in this regard, I will just leave that part of my grievance and I'll go to the next part of my grievance, Madam Speaker, rather than embarrass you so that you will not have to make a ruling to censure me for making statements that are out of order.

Madam Speaker, I guess it was last Monday or Tuesday when the Member for Fort Garry got up and asked for a leave to make a non-political statement, presuming that it would be granted and advising that the leave was being asked to make a non-political statement on Seniors' Day. Seniors' Day was at the Legislature, and here's a letter that we have from the First Minister advising about Seniors' Day.

It says: "In recognition of Senior Month, the Government of Manitoba will be hosting the fourth annual Seniors' Day at the Legislative Building, Monday, June 15, from 1:00 p.m. to 4:00 p.m. The Member for Fort Garry was refused leave, and this isn't a ruling of the Chair. It was a ruling of the members of the government, because they did not allow a non-political statement to be made. It disturbed me very greatly, because I have always believed that this is a Legislature of cooperation, of understanding to one another. I am so disturbed because the members were aware that it was just a welcoming for the seniors and absolutely

non-political. This government, in their wisdom, has felt -(Interjection)- What the Minister of Education is saying is that one good turn deserves another.

Now, if we're going to get even for everything that happens in this House - we don't get mad, we'll just get even. That's the attitude you people have. That is not what the intent was. We were talking about seniors, the most respected group in our society, and you're going to take advantage of another situation to get even. Well, I think that's pretty lowly, pretty dastardly, for them to not have granted leave.

You know, Madam Speaker, this government and this group of people who represent this NDP Government have, in the past, tried to make Seniors Day political. Last year, they were handing out literature at the door, handing out NDP literature at the door which, when it was brought to their attention, we got, so sorry. We got an apology, we won't do anything political again concerning Seniors' Day. Well, one year later, again political, refusing to allow our member to make some welcoming gestures to the seniors, absolutely non-political. But if it's a matter of getting even, let's say that they're even. Are you even now?

I remember so vividly the opportunity of making remarks. We had an incident where an American flag was burned at a demonstration, and this is the first time that I've ever made a remark about it, and that's a lot of years ago, Madam Speaker. But there was no reason for me - maybe some of the other members might have taken personal exception and I did take personal exception that an American flag was burned, but I made no accusations and today I still will make no accusations. It's not a matter of getting even. You just don't do those sort of things.

This group of people, this New Democratic Party Government, they have the members. They can do anything that they want within reason. They have the members and they can do it. The people of the province have elected them, and I respect the people of the Province of Manitoba for electing them. And I'm going to do everything I can to see that they don't have the opportunity of being elected again.

But, Madam Speaker, I just wanted to bring that to the attention. I felt very badly that leave had not been granted. It was a dastardly act, and I just want everybody to know those were my feelings on it.

Madam Speaker, I've got to bring out one other incident that upset me beyond all reasoning. When we had a vote on the Budget - and I'm not reflecting on the Chair. I'm reflecting on some of the remarks that were made by the First Minister, and I think that I am entitled to contradict his remarks and the Government House Leader, who stated that the reason that we delayed the voting on the Budget was to embarrass the First Minister and make him late in attending a very important conference in Ottawa which was to discuss Native problems. I and my group were accused of being insensitive to Native problems. There can be nothing more from the truth, Madam Speaker, and I've never asked for an apology, but I felt that I was unjustly accused in being accused of being insensitive to Natives.

Madam Speaker, I was so upset that I decided that I would take my own personal poll. I did take a poll, and I found out that 100 percent of the poll that I took stated that I was not insensitive to Native problems

and Natives. I just want that to go on the record, that I was falsely accused and we'll just let it be on the record that I was falsely accused, as the way that this New Democratic Party Government is getting more daily in making false accusations.

Madam Speaker, these people are fighting out of desperation. They have been shown up for the manner in which they run this government, incompetent, and it's like a cornered rat where - that's not unparliamentary, Madam Speaker. I'm not calling them rats. I'm just saying it's like a cornered rat where, when you've got them in the corner, they fight back and they'll fight back in any which way. They fight back, not following the rules, because they are fighting for their lives, they're fighting for their political lives, Madam Speaker.

Madam Speaker, I'm at a loss because I've never gone through - this is the first time that I presented a grievance. I've listened to grievances before, but I don't know how far I can go and how far I can't go, but I've got to bring up one other point.

A little while back - I guess it was last December - I had occasion to send out an informative brochure from myself to my constituents, advising some of the shortcomings of the New Democratic Party Government. The First Minister was able to get hold of one of these brochures and he was making some reference here in the Chamber about this brochure. He didn't seem to agree with some of the condemnations that I had made concerning the government, and he was pointing that out. From his seat after he was finished he, in a very, very meaningful manner, sat in his chair and took this brochure to show me that he had the brochure in his hand and he ripped it up, piece by piece, to show me his disdain.

Madam Speaker, I can understand him shredding my brochure to show his disdain. It was just after the time that the Minister for MPIC had to admit to some shredding of some important documents that was done by error. Now if the Minister is going to say that those documents were done by error, I accept that, Madam Speaker. I accept it, because I have no reason not to accept it, but I have some doubts. But, Madam Speaker, might I mention to the Minister responsible for MPIC that he doesn't have to send his documents over to Government Services to be shredded. All he has to do is send them over to the First Minister's Office, because the First Minister is very competent in shredding documents.

I had a stamp made, Madam Speaker, and I was going to bring it here, but it would have been an item that I would have had to display. I thought that it would be wrong of me to bring in any kind of an item and show it as an exhibit, so I just took a print of it. It's just a rubber stamp. I would hope that the New Democratic Party Government would see that each one of their different departments got one of these stamps. And all it says on it, it says, do not destroy. Just a simple instruction, do not destroy, just so that we can't have the same problem again of having a document destroyed that was not supposed to be destroyed. Now, Madam Speaker, I have it in both languages. The french version would say: "Ne détruisez pas," which I believe to mean the same, do not destroy. So it's just a word of caution so that we will not have this sort of a problem again.

Thursday, 18 June, 1987

Madam Speaker, before I sit down, I've just got to make some remarks that some of the things that have been bothering me, and one of the remarks of one of the things that were bothering me when I see signs and signals coming from that side. Now, Madam Speaker, it might happen from this side too; I can't see from this side, I can't see. Maybe it happens from this side too. I'm open to accept that it could happen from this side.

But I see some signs, and some of the signs are vulgar and very uncomplimentary, Madam Speaker. I think that there's got to be a little bit more respect for the authority of the Chair, and that these signs should not be allowed. If I see them happening again, I will bring it to the Speaker's attention, and maybe the Speaker at that point will be able to have these cease and desist so that it doesn't happen. I saw in the paper the other day where there was a group of students here, and they couldn't understand the actions of the members of the Legislature, Madam Speaker, because the actions just didn't seem to be acceptable - the speaking, the questions, the answers, the actions of all members of the House, I think mostly on that side because I can't see on this side.

I really don't want to be too condemning, Madam Speaker, but just before I close, the thing that really riled me - and I want it to go on the record. I had spoken to the member previously about - and I think maybe it was done in jest. But it was a salute that I attribute to a Nazi salute, and this was in response to some remarks that were made from this side of the House. Madam Speaker, I bring this to the attention of the House because, if it ever happens again, I'll take action even if it means my elimination from the House. Madam Speaker, this is not a threat. I'm just making a statement.

I thank you for your consideration, and I'm sorry that I caused you some embarrassment at the beginning. I'm going to have to find another way to show my displeasure at being rebuked and losing my speaking order when we are in committee. As a matter of fact, I would think that, during today when we go back into committee and on Minister's Salary, I will have an opportunity of expressing my views in this regard and I will do so. I thank you for your consideration.

Thank you, Madam Speaker.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Yes, Madam Speaker. Firstly, I'd like to say that I'm not sure that . . .

MADAM SPEAKER: Order please.
Is the honourable member rising on a grievance?

MR. C. BAKER: Yes, I rise on a grievance, in answer to a grievance, I suppose, if you wanted to put it in the proper context.

MADAM SPEAKER: The Honourable Member for Lac du Bonnet.

MR. C. BAKER: Thank you.
Madam Speaker, the episode which the Member for Niakwa alluded to at the beginning . . .

MADAM SPEAKER: Order please.

If the honourable member is going to refer to past proceedings in a committee, I've ruled comments on that out of order.

MR. C. BAKER: Okay, Madam Speaker. You'll haul me up short, I suppose, if I do not stick to the rules because I don't know why I shouldn't be able to talk to something that just happened.

MADAM SPEAKER: Order please.

I do hope the honourable member is not reflecting on a ruling of the Chair.

MR. C. BAKER: Not at all. I'm just talking about the rules in general, Madam Speaker.

But at the beginning of the honourable member's grievance speech, he alluded to the fact that, at least as he saw them, the Chairman of a particular committee was being unfair.

MADAM SPEAKER: Order please.

That particular topic, it is not appropriate to discuss that topic in the House.

MR. C. BAKER: Well, Madam Speaker, I suppose then that I should put it this way. I was the Chairman to which the gentlemen spoke to in the beginning of his grievance and -(Interjection)- sorry? I just would like to tell my side of the story.

MADAM SPEAKER: Order please.

That topic when raised by the Honourable Member for Niakwa was ruled out of order. The proper place to deal with any points of order is when they happen, and not reflect on past proceedings of either the House or the committee, nor reflect on the presiding officer. I ruled that out of order, the matter is closed. It is not open for debate in the House in any form. So if the honourable member wishes to carry on with a grievance on another topic, that would be in order.

MR. C. BAKER: Madam Speaker, I would just like to talk about a situation then, a make-believe situation.

A MEMBER: That would be good.

MR. C. BAKER: Supposing, Madam Speaker, it happened sometime in the history of this legislature that an individual got up on a point of grievance and indicated . . .

MADAM SPEAKER: Order please.

May I also remind the honourable member that procedural difficulties arising in committees ought to be settled in committee and not in the House. The Speaker on many occasions has ruled that -(Interjection)- reflections on committee Chairs should not be reflected on any differently than the reflection on Speakers. So if the honourable member wants to find some other way to put his position to other honourable members, this is not the appropriate way to do it.

MR. J. WALDING: On a point of order, Madam Speaker.

MADAM SPEAKER: The Honourable Member for St. Vital on a point of order.

MR. J. WALDING: Madam Speaker, I'm not sure that I can be of assistance here, but it has been the practice in this House that when members rise on a grievance there is considerable latitude given to them.

I can recall that the rules say that their grievance ought to deal with only one topic, for example. It may be in the rules that a grievance concerns only constituency matters or matters within the province, but it has happened in the past that members have considered or given grievances having to do with a whole range of subjects - international subjects, Canadian subjects - and it has been the practice of the House and of prevailing Speakers to be very accommodating when Matters of Grievance are concerned. I would ask you to bear this in mind, and also the fact that the Member for Lac du Bonnet has spoken of surely what is a hypothetical case. I'm sure that he is involving the way that the rules might be interpreted and the actions of various members and of Chairmen in hypothetical cases, of which he has some experience.

SPEAKER'S RULING

MADAM SPEAKER: On the honourable member's point of order, I do hope he's not reflecting on the past ruling that I made, but giving advice in terms of the grievance that the Honourable Member for Lac du Bonnet is trying to make. I will remind the Honourable Member for Lac du Bonnet - and I am trying, in both situations, to be as accommodating as possible - 26.1(1) says: ". . . a member may raise a grievance respecting a matter which is of concern to the member or to the member's constituency."

I am interpreting that in the broadest manner possible in terms of a matter which is of concern to a member. On the other hand, one should not reflect - I don't think that particular rule overrules the other rules in our book, which deal with reflecting on the proceedings of a committee or on the presiding officer of a committee.

Now, if the Honourable Member for Lac du Bonnet would care to proceed.

MR. C. BAKER: Madam Speaker, perhaps I could just talk about the way that a new member might feel in this House upon occasion.

I think all of us enter this House, Madam Speaker, with the highest of morals. Each one of us wants to do his job as best he possibly can, understanding that perhaps there are particular rules in this House which, outside the Chamber perhaps, do not apply.

Anyway, it appears to me that there is a different code if you are addressing a municipal gathering or if you are addressing a gathering within this House. Accepting that, Madam Speaker, I think that there is room to understand that occasionally each one of us personally can make a mistake, perhaps not a serious mistake, but nevertheless it's a mistake, a slip. And I don't think it should be judged, Madam Speaker, that if in a particular case an individual feels that he is slighted, even though you might go through 100 hours

of committee hearings and everybody's happy but, all at once, one episode happens and all at once the government is damned; the Chairman is damned. Everybody's damned, because the Minister or the particular individual feels that he was slighted.

Firstly, Madam Speaker, I think if such an occasion would occur, the honourable gentleman should understand that there was nothing personal involved, because I believe that all of us want to be honourable. There would be nothing personal involved in anything like that that would happen, at least from the new members.

Perhaps after you sit in this House for 15 or 20 years, you might want to pick from those holes.- (Interjection)- Well, I'm thinking of other members as well. You're pointing to one member. But, Madam Speaker, again I say to you that everybody tries to do his best. I suppose if the general public out there, because I think that this is why people speak in this House - not for each other to hear but for the general public to hear - and if the general public should hear that a particular member was branded as being unfair because perhaps he acted in a certain way against a certain gentleman, that general public would read the record because it's there, Madam Speaker. It's all there to see.

And if the general public would read the record, perhaps they would see, Madam Speaker, that the Chairman might be very unfair, maybe even be so unfair as to be construed to be unfair against the government in some instances. Because I understand that, insofar as the rules of committee are concerned, anybody who is a member of that committee has a right to ask a question, anybody. I don't think there are Opposition or government members mentioned individually. I think anybody has the right to ask the question, and I understand that to be the rule, Madam Speaker.

I also understand, Madam Speaker, that there is a spirit of cooperation between the government and the Opposition to expedite the business of the House, to get it done as fast as we possibly can so that we do not waste the taxpayers' money, and that there is some spirit of understanding that, after all, the government draws up the policy, you would think that the Opposition should be the ones, in general - in the main - to be asking the questions, to do the probing and to make the statements.

Madam Speaker, as I said before, if the general public would review the records, I'm sure they would see that, if they wanted to take the total time of certain committees or certain days, in some cases, recent cases, 16 pages of committee report - let's give half of that to the Minister, Madam Speaker. The other eight pages would be left for the committee members to ask to review.

If you wanted to research still further, Madam Speaker, you'd find that three-quarters of a page is allocated to the government members to ask questions, and that seven and a quarter are left to the Opposition members to ask questions.

Now, Madam Speaker, how could any member of the Opposition construe that as being unfair? I ask them. How could that be unfair? Do you want all the time, Madam Speaker? The gentleman from Portage la Prairie, he wants to do all the questions. That's contrary to the Rules of the House. I think, Madam Speaker, the gentleman from Portage la Prairie protests

too much. He knows that they're on shaky grounds when they're bringing this up, because I think the Chairman has been more than fair.

I want to tell the honourable gentleman the fact that they brought this grievance up won't change the style by which the Chairman conducts his business. Because the only person he really has to answer to is to himself. Insofar as I am concerned, Madam Speaker, I think that the Chairman I'm talking about was fair and he did do a good job of chairing those meetings and allocated time fairly, with the exception of one occasion perhaps, Madam Speaker, when the situation with one of the members, perhaps he should have acted differently. He didn't and for that I apologize to the honourable members.

Thank you, Madam Speaker, I've said my grievance.

MADAM SPEAKER: The question before the House is, Madam Speaker do you now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. Agreed?

MR. G. MERCIER: No.

MADAM SPEAKER: No.

The Honourable Member for St. Norbert.

MR. G. MERCIER: Thank you, Madam Speaker.

Madam Speaker, I, too, wish today to use my grievance that is allowed to a member once a year. I use it, Madam Speaker, because I can't count the number of times during the past few months that I've had members of the public come to me and say, "When is the next election? We've got to get rid of this government."

SOME HONOURABLE MEMBERS: Oh, oh!

MR. G. MERCIER: Madam Speaker, in fact, I think today may be the 15th month anniversary of the election of this government to its second term in office. I have to remind them that it's only 15 months. But it seems, the response, Madam Speaker, but it seems like a lifetime. It seems like it's been years and years because of so many things that have happened in the short 15 months that this government has been in office since the election of March 18 of just last year, Madam Speaker.

Now the chickens are really coming home to roost, Madam Speaker. I intend to go through a number of the issues, issues that arose during the first term in office.

Madam Speaker, of course, the Minister of Government Services, responsible for the Workers Compensation Board, is here and has distributed to members of the House today a report of the Workers - or the printed report, he's provided another earlier report to us, but the printed report is with us today - Compensation Review Committee, in which serious and major recommendations are made for an overview of the Workers Compensation Board, Madam Speaker.

Now in their first term of office, Madam Speaker, they also provided this House with a number of reports for an overhaul of the Workers Compensation Board system in Manitoba. Of course, Madam Speaker, at

that time, they blamed the previous government from 1977-1981, even though they had accumulated a \$36 million surplus. But, Madam Speaker, this report is a report on their overhaul of the system. Whether one was needed or not is open to question.

But just look back at what they did, Madam Speaker, when they assumed office in 1981. They cancelled the judicial inquiry that was put in place at that time by the previous Conservative Government; and if ever, Madam Speaker, there was a need for a judicial inquiry into the operation of the Workers Compensation Board, it's now. It's now, Madam Speaker.

When we look at what this government has done to that whole system, what did they do to begin to cause the massive liability or deficit of the Workers Compensation Board? They fired the whole board at that time. They fired the neutral chairman of the Workers Compensation Board, a practice that had been in place in Manitoba for decades, Madam Speaker.

Now they're doing the same thing with the Municipal Board, and we hope to goodness that the same results don't occur in the Municipal Board that have occurred in other areas where they have chosen to place their partisan political appointees in charge of those systems.

They fired that whole board. They fired all of the senior administrators of that board who had worked for their careers for the board, who had worked to run an efficient system. There's no doubt in my mind, and I've said it in the past, Madam Speaker, that there were obviously some changes that had to be looked at and that's why we had brought into place a judicial inquiry at that time. But they went off on their own with their politically appointed board, firing all of the senior administrative staff, causing the system a great deal of expense in severance pay and carrying pensions for those people that they fired at that particular time.

They went off and we've seen the huge increase in administrative expenses that have been charged to the board by their politically appointed board that they put in place, for which they have had to have this total review, for which the Minister responsible has had to increase assessments some 20 percent a year for a number of years; and now it's not going to be 1989, as the former Minister said, that the board would be put into a non-deficit position. Sometime is 1999 or some far-off number, Madam Speaker, that nobody really knows.

So, Madam Speaker, the chickens have come home to roost in the Workers Compensation Board directly as a result of the actions of this government which they started in late 1981. And I ask you, Madam Speaker: How can the public of Manitoba have confidence in the continuation of this government to remain in office in Manitoba? And that's why, Madam Speaker, people are coming up to members on this side of the House and asking, "When is the next election?" even though it's just some 15 months since the last election.

Madam Speaker, we have a government that in 1981 said that they were going to restore health care in Manitoba. And what is happening now? The Minister stood up the other day in response to questions from myself, the Member for Fort Garry and a number of others, and we learned, in addition to what has happened with the cancellation of beds in Brandon, that there are 48 beds at the Victoria Hospital that are

going to be permanently closed. Surgical beds, Madam Speaker, permanently closed to that community in the City of Winnipeg, and there are a number of others under consideration which are more than likely going to happen.

As the Member for River East said, nurses are being asked to take an unpaid leave of absence. Yet the Minister of Health stands up in this House and said there is going to be no leaves. Understandably, she asked the question: what is the difference between an unpaid leave of absence and a layoff? There is no difference, Madam Speaker.

So despite all the promises about so-called restoring health care, we have seen the rationing of health care in Manitoba since 1981 when this government assumed office, Madam Speaker.

Of course, the Manitoba Telephone System and the political manoeuvrings that went on prior to the last election - 1986 - we had a politically appointed board and a Minister that chose only to apply for a 3 percent increase in the telephone rates, Madam Speaker, which was, of course, unsaid but there was an election coming up very shortly. So they applied for a 3 percent increase in telephone rates, we have the election, and now the public of Manitoba has been saddled this year with an 11.5 percent increase in telephone rates, which, of course, also includes part of the \$27 million loss of MTX in Saudi Arabia, which again . . .

MR. D. ORCHARD: Only the interest, none of the loss

MR. G. MERCIER: And only the interest, as the Member for Pembina reminds me, Madam Speaker. There again is a situation where this government deliberately took a position to apply for less of a telephone increase in late 1985 because an election was imminent, and obviously they convinced a sufficient number of voters in Manitoba in 1986. Everything was going well. The public of Manitoba gets saddled with an 11.5 percent increase within a year of the election, Madam Speaker.

How can the public have confidence in a government that acts in that way, Madam Speaker? How can the public have confidence in a government that refused to answer the questions that the Member for Pembina put to them about MTX prior to the election of 1986, that simply closed the books on that affair until the election was over, Madam Speaker? How can we have confidence in a government that, for three or four years prior to the election of 1986, promised the freedom of information legislation and still has not delivered on the freedom of information proclamation of that legislation, and says perhaps next year, perhaps 1988, Madam Speaker? How can the public of Manitoba have confidence in that type of government?

Today, Madam Speaker, we have another situation where the chickens have come home to roost. The Minister of Community Services has tabled with us the latest annual report of her department for 1986-1987. And what does it show in the statistics, Madam Speaker? What it shows in the statistics with respect to child abuse is that there has been a one-third increase in the number of abused children in 1986 in Manitoba over 1985. It has gone up from a total of 646 cases to 836 cases.

But, Madam Speaker, this wasn't to happen, supposedly, that we now have in place, supposedly, the system that the Minister of Community Services implemented in 1984 which was going to solve all of the problems. There was going to be prevention that was going to stop child abuse in Manitoba. But there has been criticism of that Minister, Madam Speaker. We just received this year the review committee that this Legislature, I think, by its action and with your assistance, Madam Speaker, in an emergency debate at the last Session resulted in having this report in which there are again major recommendations for overhaul and reform of their system, of the government system that they put in place in 1984. The statistics show, Madam Speaker, this government system is not working when you have a one-third increase in total child abuse cases from 1985 to 1986, and which, Madam Speaker, most regrettably, there are six deaths in 1986 compared to none in the previous year.

Madam Speaker, this government obviously is not competent to handle anything. It is not competent to handle anything, and then they come to us at this Session of the Legislature, in the past few days, telling us this government is going to take over ICG, the gas company. How can the public of Manitoba have any confidence in their ability to handle that situation when they botched the Telephone System, the telephone service in Manitoba, when they botched, Madam Speaker, we remember Manfor. Everything was supposedly fine at Manfor, before the next election.

But the government changed the year-end. They changed the year-end to 15 months and the \$30 million loss was announced after the election. How can they have any credibility, Madam Speaker? One has to ask whether there is any honesty on that side of the House at all.

We have today in this House, Madam Speaker, the Minister of Highways responding to a number of questions from the Member for Morris and the Member for Springfield, where he tries to hide the fact, when the Member for Springfield has clear documentation that the preliminary report is going to be doctored, is going to be amended, is going to be changed before it's released to the public. He says he has no knowledge of it, yet the Member for Springfield has a copy of the memorandum from the office of the Minister of Highways and Transportation, forwarding a copy to all NDP Caucus members, Madam Speaker.

So they haven't learned a thing, Madam Speaker. They are prepared to change anything, to doctor anything, to hide anything just so that they remain in office. They did it prior to the last election; they succeeded I suppose, so they're going to continue it, Madam Speaker. They're going to continue to change these documents, change documents to -(Interjection)- and I haven't yet gotten into that area, Madam Speaker. But obviously another instance has shown up at this Session of the Legislature what they were prepared to do to win the last election.

The Minister responsible for MPIC has clearly said he was well aware of the losses of MPIC, but made a decision not to put them in the annual report and hid them from the public so that they were not available at the time of the last election. How many more instances of this are occurring, Madam Speaker? How many more instances of this are occurring?

Thursday, 18 June, 1987

Well, we have the Minister of Education, Madam Speaker. The Minister of Education and his chief aide, the now Minister of Business and Tourism. We remember what they did with Doctor Perkins at the Brandon University, Doctor Perkins and the University of Brandon. They cost the public of Manitoba \$1 million because they put again their partisan appointments on that board, Madam Speaker, and they cost the taxpayers a \$1 million loss. That's what they did and the Minister of Education is sitting there making comments from his seats about these other matters. He has no room to manoeuvre, Madam Speaker.

Virtually in every area that you look at, there are instances of cover-ups and hiding information from the public of Manitoba or distorting information put to the public of Manitoba. Madam Speaker, and then they ask us here to approve their takeover of the gas company.

The Member for Lakeside has expressed some genuine concerns and certainly we all sympathize with those concerns that he expressed. Perhaps the real issue in that situation is, are the members of the NDP and this government competent to take over this utility, Madam Speaker? Put in those essential terms, Madam Speaker, I say no.

The public has no confidence in their ability to take over the gas company and run it properly, Madam Speaker, because in every instance of Crown corporations, their departmental involvement that I've referred to, there's been too much partisan politics injected into the activities of this government to the detriment of the public of Manitoba, but only for the benefit of the NDP Party. They're prepared to put the interests of the NDP above the public interest of Manitoba.

We look, what did they do with Flyer, Madam Speaker? I think we have to remind the public about some of these instances. They hid that particular matter until a couple of months after the election when it cost \$100 million to get rid of Flyer, that great NDP socialist experiment that originated in the early 1970's.

Madam Speaker, we've had a Budget, a Budget that is driving people out of Manitoba and today, as I understand it, it's confirmed that it is destroying consumer confidence in Manitoba. Madam Speaker, I can say to you and to members of this House, that a number of my constituents have already since that Budget made a decision to move and are moving from this province, and others are looking to move from this province because of the tax regime and the attitude of this government.

We all know the Canadian Federation of Business, independent business, in their survey have given the lowest mark to this province and this government in its attitudes towards small business. But that has been reflected over the last number of years, Madam Speaker, in a number of well-paying good jobs moving out of this province and they are occurring virtually every week of the year. We see major moves.

One can well understand, if one tries to be reasonable, Madam Speaker, in terms of some head offices moving to Toronto, because that's where much of the real economic activity is right now. We hate to see them do it, but sometimes you can understand the business rationale for doing it, but lately we have seen a number of businesses moving to Calgary. Now in my mind,

Madam Speaker, there's no reason on earth why we should see major economic activities move from Manitoba to Alberta.

Madam Speaker, it well appears that there is going to be another major move from Manitoba to Calgary and it's going to be the head office of Westfair Foods. That is under active consideration and Manitoba is going to see, regrettably, a loss of some 325 jobs from this province, well-paying jobs, Madam Speaker, that are going to leave this province, and this government is responsible for most of those moves.

We've seen the drop in manufacturing jobs, the greatest loss of manufacturing jobs across the country, and those are the good paying jobs. Who is going to continue to pay the high rates of taxation that this government is imposing? Their budget is driving people out of this province. The 2 percent net income tax, the increase in the sales tax and all of the other tax, Madam Speaker, because we're at virtually the highest level of taxation of any of the components when you look at the comparisons with all of the other provinces. And we have virtually all of the new, so-called new taxes, Madam Speaker, the payroll tax and other taxes like that. They're only, Madam Speaker, in many of the cases, applied by this government, so this government has picked up the worst of the tax regimes from other provinces, and it's working to destroy and harm economic activity in this province and destroy good paying jobs and forcing people to leave this province and certainly, without question, Madam Speaker, is working to discourage investment and long-term investment and the creation of jobs in the private sector.

So what do we have in reaction to that? We have the government introduce at this Session of the Legislature Bill 61, a bill not only opposed by the Chamber of Commerce but opposed by a significant number of labour unions. One has to wonder what is going on in the mind of this government when both management and labour don't want the bill but the government is determined to carry on with it. It simply raises again, as many commentators have noted, Madam Speaker, whether or not this bill is being designed to bail out one particular union and one particular strike that is ongoing at this present time, just to help out a friend - who happens to be the leader of the union.

Madam Speaker, what is worse than that is that it creates in the mind of anybody looking at investing in Manitoba - they see an attitude there that is simply not helpful at all and they are going to look elsewhere, and they are looking elsewhere and will continue to look elsewhere as long as there is that kind of attitude is expressed by the government.

Madam Speaker, those kinds of activities by this government in labour legislation and an unwillingness to listen to the comments on a bill like this where there is almost virtual unanimity between labour and management - the bill should not be introduced. Any investor says, why do I want to get myself involved in that particular situation?

Madam Speaker, we have this Budget which has proven very harmful to consumer and business confidence in this province. We have a debt which has been increased by this government from some \$4,000 per capita when they took office to \$9,500 per capita. That's in five or six years - an astounding debt and

legacy to be left to Manitobans. We've used up all of the tax room in this province. Where are they going to go next? The economy is said to be going very well. It generally is going fairly well.

What are they going to do if we have a recession, or there's a downturn in the economy? Where are they going to go for the extra revenue that will be required? It simply will not be available. Even with all of those taxes, we're carrying a \$417 million deficit in that \$500 million range for the fifth or sixth year in a row.

So they're putting the province in a real box because there's no room to manoeuvre. There's no room to manoeuvre in the future when it may well be necessary for government to act in the public interest, in the event of a down-turn in the economy.

All of these things, Madam Speaker, create the situation where people are, as I said earlier on, saying, "when is the next election?" We have to remind them it's only 15 months, but it seems like decades, Madam Speaker, because so much has gone wrong by this government. They seem unable to touch anything without having it go wrong. They seem unable to manage anything. They appear certainly to be incompetent in all of their dealings and we're being asked to approve a major take-over of the gas company at this time.

Madam Speaker, the public are simply shaking their heads and saying, "when will it all be over?" And the earlier it's over, the better for Manitoba.

Thank you, Madam Speaker.

QUESTION put, MOTION carried and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Burrows in the Chair for the Department of Finance; and the Honourable Member for Lac du Bonnet in the Chair for the Department of Government Services.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY - GOVERNMENT SERVICES

MR. CHAIRMAN, C. Baker: Committee, come to order. The Member for Portage.

MR. E. CONNERY: Thank you, Mr. Chairman. I would like to deal a little bit with the financial end. I think, first of all, I only missed a few minutes of the critic so I hope I'm not covering any of the territory he did.

In the administration expenses, we see an increase of almost \$1.5 million over last year. Mr. Chairman, we look back to 1980 or even '81 where it was around \$4 million and now we're up in \$11 million, so we're looking at an increase of about 300 percent in the five years of NDP hard times.

Can the Minister tell us, is it because of increased staff or what is the reason for the \$1.5 million increase in expenses?

HON. H. HARAPIAK: The interpretation of NDP hard times would depend on whose perspective you're looking at it. I guess if you look at it from the perspective of the injured workers, the widows and the children

who are not getting these services, then I guess you could say it's good times for them because they were getting the services that they previously weren't receiving. So I guess it depends on what perspective you're looking at. I guess if you look at the general administration of the Workers Compensation . . .

MR. CHAIRMAN: A point of order.

HON. W. PARASIUK: On a point of order, I want to make sure that the Member for Niakwa was not cut off in any way, shape or form by the Member for Portage.

MR. A. KOVNATS: It hasn't bothered my speaking, but . . .

MR. CHAIRMAN: I might tell the Minister that I did ask the Member for Portage la Prairie whether in fact his colleague for Niakwa was going to be here and he would have the opportunity of carrying on the questioning if he so wished. But he was not here, so I recognized the gentleman for Portage la Prairie.

Mr. Minister, will you continue your speech.

HON. H. HARAPIAK: The cost to this administration has increased as the total budget of Workers Compensation has increased. You have to recognize the improvements that have been made in the whole area of rehabilitation, the whole area of claims. So naturally, there was the cost in the whole operation.

This money has not gone just for administration. There have been increases for the benefits of the people who have been injured, for the widows and the dependent children of those injured workers. The percentage of administration, percentage-wise, is still pretty well the same as it was. It's usually between 10 percent and 14 percent of total budgeted for administration and that's still the rule followed by Workers Compensation.

MR. CHAIRMAN: The Member for Portage la Prairie.

MR. E. CONNERY: Mr. Chairman, it would be easier if the Minister, instead of giving us his programmed answers, would just say it was Answer No. 1 or 2 or 3 or 4 or 5, because basically it's the same answer.

What is the staffing complement now at Workers Compensation compared to say, 1982, when they took over?

HON. H. HARAPIAK: I believe the answer to Question No. 10, that the Member for Portage la Prairie put, was in 1982 it was 171; now it is 261.

MR. E. CONNERY: Yes, Mr. Chairman. We want to be very careful when we do these Estimates, because I think you have to realize that the money we're discussing is not money that has been raised through taxation by the government, it's raised by premiums and totally paid by the business community, unless this government does decide to take up and recover some of the unfunded liability as the Minister likes to see.

One other thing that kind of bothered me a little bit in the Financial Statement was the allowance for doubtful accounts. We had the two-year comparison,

but in '84, it was \$150,000; now we're \$525,000.00. This is an item that appears to me to be rising just a little bit too quickly. I know the more money you're involved in, the higher the doubtful accounts will be, but I don't think the premiums have tripled in the three years, or two years actually.

HON. H. HARAPIAK: I guess the first thing the Member for Portage mentioned was the fact that it is the business community's money and we should be careful. I want the member to know that we are careful with all money that we handle with this government, not only the business community's money, but the taxpayers' money is important to us. I think we have been showing prudent leadership in the way we have been handling the taxpayers' money.

The Member for Portage asks if the government is going to be paying part of the assessment. I've made it quite clear that we have no intentions of moving into that area. That is an area which is the responsibility of the business community as a historic agreement that was reached for the benefit of both workers and the business community. I don't think anybody wants to go into that area and change that formula. It is the responsibility of the business community and it will remain so.

You ask about write-offs, I guess the board's annual bad debt write-offs are due to bankruptcies and other normal collection problems. The ratio of bad debts overall is extremely low, compared to what would be an average in the business sector, and you should mention that this money is not lost. It is still in the process of being collected and some of it is collected. I think that the member has a close rapport with the business community, I would encourage you to encourage them to pay their assessment that they have been assessed in whatever category they fall into.

MR. E. CONNERY: Well, Mr. Chairman, one comedian was asked where he got all his material from and he said, "I listen to the government and then I report on it." I think this is a classic case that the Minister is becoming a stand-up comedian with his answers.

Mr. Chairman, last year, when we were in the rates, the average rate was I think \$1.36, it was supposed to be, and it ended up at \$1.38 something. It would have taken 53 percent last year to increase to break even. What would it have cost this year to break even, not to repay the unfunded liability, but to break even on this year's operation?

HON. H. HARAPIAK: It would have taken an increase of 57 percent to break even with the operating costs.

MR. E. CONNERY: The Minister said that he is going to have the fund in a break-even point by 1989. The Minister must have done some calculations to come up with that sort of a figure. I don't know if he's going to find anymore extreme losses, but let's say that the additional \$100 million is the last surprise we're going to get, what would it cost to be breaking even in 1989? What would the rate be?

HON. H. HARAPIAK: The member alludes to additional \$100 million. There is no additional \$100 million. The

actuaries have worked with Workers Compensation and they have come up with the figure of an \$84 million unfunded liability. There would have to be additional decisions made by Cabinet before there's any additional increase in the unfunded liability. We said that we'd need an increase of 20 percent until 1989, which would bring us to a break-even point in the operating budget.

MR. E. CONNERY: You're saying, if we have an increase of 20 percent each year till 1989, we'll be at a break-even point. Is that what the Minister said?

HON. H. HARAPIAK: That is correct.

MR. E. CONNERY: No, not recovering any debts, just on the operations for that year, 20 percent a year. But you said it would take 57 percent this year, so what year are we in now - 1987? So in two years, we're going to be in 1989, so 20 percent and 20 percent, even though you compound the 20 percent, isn't going to give you a break even if you need 57 percent this year. How does the Minister rationalize those figures?

HON. H. HARAPIAK: The Member for Portage la Prairie doesn't seem to take into consideration that it was in 1986 the year we set the rates for. So that we would be figured over three years of 20 percent would be a break-even point.

MR. E. CONNERY: You know, the Minister's in fantasy land with the losses that are being incurred annually and we're not going to set a rate that's going to break even next year at 20 percent. So I don't have the time to do the calculations but anybody sitting down and reading Hansard after will know that and understand why this government and this Workers Compensation is in such a disastrous position because they just don't understand it.

The Minister said that if they implemented all of the 178 recommendations in the King Report that there would be a break even in the position, it wouldn't cost any money. The Minister must have some figures now to justify making that statement. Can he tell us what the revenue factors would be and what the cost factors would be?

HON. H. HARAPIAK: I have said on several occasions that, based on the years of experience of the review committee, which is Mr. Tom Farrell, who's the industry rep, so I'm sure that you have had a very close rapport with Mr. Tom Farrell - he is responsible for Workers Compensation for Inco, one of the largest corporations in the province - and Lissa Donner, who's had several years experience with Workers Compensation, helping people in the labour industry apply for some of their claims, and she's had several years of experience; and Mr. Brian King, who is the chairperson, had several years experience as an injured worker and also he was the chairperson of the Workers Compensation of Saskatchewan.

Based on those years of experience, they said that, if all the recommendations of the report were implemented, it would come out at cost-neutral. We have not done the cost analysis at this time. We're still in the process of developing the cost analysis. When

we are completed, we will make a report on all our findings.

MR. E. CONNERY: Well, the Minister's admitting that he misled the House when he said that it would break even if he implemented them. He has not done the study; he hasn't done the rationale, so he hasn't got the figures to back it up. So by making a statement of that line, you are just picking paper off the wall. You really have no grounds to have made that statement, and this is what we're saying.

You haven't been straightforward with us on the Opposition side in coming forth with the factual answers.

HON. H. HARAPIAK: I guess the Member for Portage la Prairie is, as usual, not listening to the answers and is reading his written set of questions that the researchers obviously supplied him with.

I have never made a statement to the House that we had any cost analysis done. As I very clearly have stated, we're going to be doing an analysis of the entire report. Then we'll be making our recommendations and moving on the entire report. I have never misled the House, and have never told them that we have done any analysis on it.

MR. E. CONNERY: Last year in Estimates, I asked the Minister then - the Minister now has changed - if we could have a breakdown of the categories of the cost versus the premiums to see if the categories each were paying their own representative share, even though we're losing money. The answer was, if it wasn't against government regulation, he would do it.

We never did get the figures. What has this Minister got to say? Will he provide the breakouts of the categories?

HON. H. HARAPIAK: There are 73 categories, and 47 of the groups are in a negative balance, and 26 of the groups are in a positive balance. There's a book that's given out by the Assessment Branch of Workers Compensation which includes all the different categories and you can get a copy. We can arrange to have a copy sent to you.

MR. E. CONNERY: Pardon me, I was talking to our researcher who was giving me my next question.

At the end, did the Minister say that the information was available to us by category?

HON. H. HARAPIAK: Yes, I said you can get one from the Assessment Department or, if you like, we can have one delivered to you.

MR. E. CONNERY: Okay. Obviously, the Minister last year didn't know that or didn't follow up on it.

What is the philosophy of the Workers Compensation Board? Is it to have all categories be in a break-even point?

HON. H. HARAPIAK: No, that is not the philosophy of the Workers Compensation. We view it as a collective liability where it's the responsibility of all of the industry to be responsible for it and we try and even it out as much as we possibly can. But there are different

categories where they are based on history, the danger of their occupation that they're involved in. Based on that history, the categories are broken down in that area. So they are based on history in those categories. Sure, sometimes it may fluctuate. The history of certain categories may be better than others but, overall, it's a pretty fair system.

MR. E. CONNERY: So it's not designed for each category to pay it's own way, so some categories are paying a higher amount because they're in a hopeless position, and the Minister says it's not the philosophy of the government to have each category pay its own way. But in Autopac, you don't have every car charged the same insurance bill. You go by size and everything else. There are various rates. Individuals who have a good rating system pay less and those who are bad pay more. How do you justify having different categories being subsidized by other ones?

HON. H. HARAPIAK: Within the groups, there are different - that's why we have a different percentage increase from one group to another. There's an adjustment made every year. So within the 73 groups, they try and adjust it every year so they are trying to break even at every year. But overall, there are some who are not paying their way.

MR. E. CONNERY: Well, just for an example, Mr. Chairman, I have one group that we got last year - and I wonder if the Minister agrees with this sort of thing - it's subgroup 905-08. We got this for 1984 and 1985 cumulative, and there were costs of \$2,891 and premiums of \$37,057.00. Now to me, this is not the way Workers Compensation should be.

HON. H. HARAPIAK: I guess I should tell the Member for Portage what goes into estimating the rates for each category. They're estimated employer payroll and estimated direct costs. These include compensation, medical, the capitalized value of pension awards and rehabilitation costs on accidents after 1983, and estimated administration costs and also the estimated costs of funding the rehabilitation and second injury, equalization fund, amortization of past provisions for '87 pension increases, and the required increases to the reserve for future costs to existing claims.

MR. E. CONNERY: The Minister says estimated costs. I don't know why the Minister would be estimating any costs for any category. You've got a track record of each category. Wouldn't your premiums for the coming year be based on the previous experience of that particular category?

HON. H. HARAPIAK: It has been the history or experience of Workers Compensation that you can't predict the history or the experience or the severity of any accidents in any specific area. So that's been the practice that's always been in place for Workers Compensation, they estimate the costs.

MR. E. CONNERY: Well, to the Minister, I can predict history accurately. Surely to goodness, you must use what has happened in the previous years to set your premium for the coming year.

HON. H. HARAPIAK: We do use that formula to a degree, but then the payroll increases and there are many, many factors come into play. They use the previous year's experience as history but then, at the end of the year, there is a final accounting where the final payment has to be paid. Whatever the difference is, is paid at that time.

MR. E. CONNERY: So, the Minister then is saying that he's not concerned if each category is brought in line and maybe within from year to year there will be fluctuations where there will be changes within an industry, a higher incidence of accidents, in another category, a lower incidence. But he's saying that he's not concerned about trying to ensure that each category clearly pays its own way.

HON. H. HARAPIAK: It's difficult to predict, because what you're attempting to hit into is a self-insured status. There are many factors that come in with it. In a small grouping, one fatality in a small group could drastically affect the group rates in any given year.

MR. E. CONNERY: If these figures were available, for how many years back are the figures for the various categories available? What I would like to see is: Have certain categories continuously been in a deficit position and others in a surplus? Then that would show that the government hasn't attempted to bring them in line. I ask the philosophy of the Minister. He said it's difficult to predict. Well I guess this government is pretty hard to predict. But what is the philosophy of this Minister in regard to categories? Is there a genuine attempt on the part of the Workers Compensation to see that each category fairly pays their own way?

HON. H. HARAPIAK: I guess that's one of the areas that have been touched on by the review committee. They are saying that they should be moving, they should be reducing the number of categories, I guess. That's a recommendation. I guess we should be moving into less categories, and trying to ensure that each category is paying their way as much as possible, and set their rates on that basis.

MR. E. CONNERY: What would be the philosophy of less categories, the reason for less categories?

HON. H. HARAPIAK: I guess it would be a collective liability and wouldn't allow for as much fluctuation. There would be more categories and there wouldn't be as much fluctuation as there is in, say, one small category. If there were less categories there would be less fluctuation in rates.

MR. E. CONNERY: I guess what the Minister is saying, if you have less categories, it's easier to lump a whole bunch in and so some are subsidizing others. With the less categories, there's going to be less opportunity to see which categories are incurring the higher costs and should be brought in line.

The Minister won't tell me if, philosophically, he believes in each category paying their own way.

HON. H. HARAPIAK: If there is less fluctuation, then it would be better for the industry to be budgeting for

the year. If it continues to fluctuate in a rate, if there's a great fluctuation every year, then it's difficult for industry to budget. So I think, if there was less fluctuation, then it would be better for industry. But I guess in the Workers Compensation, there is a pooling of risk of the entire Workers Compensation.

MR. E. CONNERY: Pooling of risk isn't common in just about any other insurance. You are in a category and, if you have a good incidence, you get a lower premium and, if you're in a high one, you pay higher. So I don't know why Workers Compensation is going contrary to the norms.

But in the King Report, they recommend bringing in a whole lot of new people, including farmers. Now the farm community is going to be thoroughly upset if they are forced to join Workers Compensation. I think the Minister wants to consider this. But they say that and the Minister says we can implement the King Report, the expense items. We think there'll be a flood of new applications, but offset by income.

This whole new group of people who come in, are they going to be overassessed because, if they're assessed fairly, their categories should be in a break-even area and there should be no windfall revenue to offset the higher costs.

HON. H. HARAPIAK: The Member for Portage La Prairie says that this isn't different than the insurance industry. It is different. This is the Workers Compensation Board and once again I have to remind you of that historical agreement that was reached by the workers and the employers.

The employers are protected from being hauled into court so that is one of the things, the protection they get for being involved in Workers Compensation. If they were taken to court in a small industry like the one you were involved in before you became a member of the Legislature, if there was a fatality in your operation, then it would break you. Whereas now, if you were covered by Workers Compensation, it's a collective coverage of that fatality.

MR. E. CONNERY: I think that's "rehearsed answer No. 6," because the Minister never answered one portion of my question. Now, how many answers did they program you for, Harry, so that we know how many different ones we're going to get?

Well, it's not fair but we get the same answer. I asked a question. I asked the Minister: Was this new group of people coming in going to pay more than what they were going to be assessed or taking out of the system? Is there going to be a windfall amount of money to Workers Compensation because of this new group?

HON. H. HARAPIAK: I think if you are referring to the farm community, we would have to have a very high rate set for that community, that category, because the history of the farm community has not been good. There have been a lot of injuries in that industry, so it certainly wouldn't be a windfall. If you want to look at some of the other categories that have been recommended that they come into, become part of the Workers Compensation, there is no windfall in any of those categories brought in.

Thursday, 18 June, 1987

There is some history that you can follow up on. You go into Workers Compensation in Saskatchewan and Ontario where they are part of the system now. There's no windfall there.

MR. E. CONNERY: Well, the Minister, you know, I'm kind of bamboozled by his answers and what has been said. He said that if all of the recommendations of the King Report were implemented, the expenses would be offset by income.

Then where is the income coming from? Where is the additional income to offset the horrendous costs of some of the recommendations of the King Report?

HON. H. HARAPIAK: There are 178 recommendations. If you take into consideration all of the recommendations, then it should be cost-neutral. I am not going to start debating one specific recommendation over another. I know that you and your leader would like to start discussing each recommendation separately. We are not going to. So if that's what you want to lead into, I can save you a lot of time and tell you I'm not going to be discussing every recommendation separately. We will be discussing the entire report.

MR. E. CONNERY: I wasn't asking about every recommendation. I'm saying the cost versus the income, what are the numbers? The Minister says they're going to break even. Fine, but I'd like to know where he's coming up with this answer. If you have a statement to make, you should have done some research that have some working papers to show how you came up with that. I would like just an insight as to how the Minister decided to make that statement.

HON. H. HARAPIAK: Obviously the Member for Portage was not listening to my questions to begin with. I told you very clearly that the cost analysis had not been done, that the break even, or the cost-neutral figure was arrived at by the years of experience of the three people who were involved with the review committee. Based on that experience, they said it would be a cost-neutral. That's the best information we have at this time. There is analysis being carried out on where the costs - how much revenue the revenue items are going to bring and how much costs are going to be involved, but at this time we do not have those figures.

MR. CHAIRMAN: The Member for Portage.

MR. E. CONNERY: I'll pass to somebody else, Mr. Chairman.

MR. CHAIRMAN: The Member for River Heights.

MRS. S. CARSTAIRS: Thank you, Mr. Chairman.

I have found it extremely difficult to get a hold on the Workers Compensation Board, quite frankly, in terms of trying to find out just how it works. And if

A MEMBER: It doesn't work.

MRS. S. CARSTAIRS: Mr. Chairman, if the Minister wants to know where I'm at right this minute, I'm on

page 7 of the Workers Compensation Board Annual Report. There's a structure there headed by the Board of Commissioners down to information services, support services. Can the Minister provide information as to just how many individuals - and I don't want to know the names of the individuals - are involved in this variety of functions? I assume that three board of commissioners and one in the top three lines, how many others are involved?

HON. H. HARAPIAK: While they're gathering some additional information I'll start giving you the information that we have here. At the top is the Board of Commissioners and it says there that there are three boards of commissioners and one chief executive officer. There are three people involved in criminal injuries, one secretary to the board, two review officers; one of those SY's is presently the liaison officer. There are three permanent review committee members and they're still gathering additional information.

I'll read them off in the way they are listed in my book and it might not be in the same order as you've got in that book, but I'll read them slowly. In claims, there are 86 people; in assessment, there are 42; finance is 30; data processing is 10; medical is 21; administration is 27; rehabilitation is 42, for a total of 261.

MRS. S. CARSTAIRS: Could the Minister tell me how that has changed over the last couple of years? We have 261 for this report, what comparative numbers did we have in '85 or '84?

HON. H. HARAPIAK: What year do you want?

MRS. S. CARSTAIRS: I need both.

HON. H. HARAPIAK: In 1985, in claims, there was 86.

MRS. S. CARSTAIRS: Just the total figure.

HON. H. HARAPIAK: The total figure was 250; and '84 was 222; in '83, it was 196; '82 was 171, and in '81, it was 150.

MRS. S. CARSTAIRS: I can understand, Mr. Chairman, why the numbers certainly would have gone up when we moved into a vocational rehabilitation department, which really didn't exist before, but what are the reasons for the increase in '85 and '86?

HON. H. HARAPIAK: I've got the changes here for the Member for River Heights. In the Administration area, there was an increase of 4 people; in Data Processing, there was 1 additional person; in Finance, there were 4 additional people; in Medical is 1 additional; and Vocational Rehabilitation is 1.

I should mention that we compare quite favourably with the other jurisdictions across Canada. We're just about in mid-range of the number of clients handled per person employed as compared to other Workers Compensation Boards across Canada.

MRS. S. CARSTAIRS: Mr. Chairman, I'm glad they compare, but if you deal with a number of clients who

Thursday, 18 June, 1987

are being served, you're not dealing with very large numbers, and yet you had a staff component increase of 11.

How can the board justify 11 new employees when in fact the servicing to clients hasn't gone up anywhere near that kind of percentage?

A MEMBER: They had that many friends.

HON. H. HARAPIAK: We have continued to make implementations of the Lampe Report, so services have gone up.

I just wanted to tell the Member for River Heights that in comparison to other jurisdictions, Manitoba handles 208 claims per staff person, Newfoundland is 174, Saskatchewan is 156, British Columbia is 129, Quebec is 117, Ontario is 103, and Alberta is 56. So you can see from those figures that Manitoba has a fairly lean administration staff compared to other jurisdictions.

MRS. S. CARSTAIRS: Mr. Chairman, I know that the Minister does not want to discuss the report and I don't want to discuss individual recommendations, but I do want to refer to the "Beef and Bouquet" section and a statement that one of the regrets of the committee was the difficulty in establishing a cooperative and efficient working relationship with the Workers Compensation Board.

I think it's only fair to allow the Workers Compensation Board to explain why they felt they didn't have that kind of a working relationship - or did they feel they had the working relationship that the King Report says, indeed, didn't exist?

HON. H. HARAPIAK: I guess, when we get right down to it, I think we should look at the whole report.

The report does acknowledge that there were a lot of changes made by the present Workers Compensation from the system they took over in '81, and there was some difficulty to begin with in the working relationship, but they also acknowledge that there were improvements and, at the end, there was cooperation between the board and the review committee.

MRS. S. CARSTAIRS: Mr. Chairman, we had \$317,470 spent on the review committee, and I don't ask for any breakdown of that amount of money for three people doing the kind of travelling and evaluating they were doing. I don't think that's an out-of-line figure, quite frankly. I think it's a reasonable amount of money spent.

But having spent that kind of money, it is distressing to think that they were not getting the full cooperation of the board that they were supposed to be trying to evaluate. I think that if one looks at the composition of that particular board, it was done, certainly, with the board in mind in terms of being relatively sympathetic to the board's position, which still leaves, I think, everyone with a very uneasy feeling that there seemed to be this difficulty in communicating with the board.

What is going to now happen in terms of trying to bring about the recommendations of this particular committee?

If you have a board that seems less than sympathetic to a review, it presumably is still going to be a board

that's less sympathetic to changes, the kind of processes going on to perhaps make them more open to that kind of situation.

HON. H. HARAPIAK: I have shared with the Member for River Heights that to begin with there seemed to be a little bit of difficulty of sharing of information, but then later on there was an improvement and they did share the information with the review committee. Now that the review committee has tabled a report, I have given a copy to the Workers Compensation Board, and they just got it last week so they haven't had a chance to analyze the full impact of the report, but I expect that I will be sitting down with the board very shortly and discussing some of the recommendations of the review committee and some of the recommendations that we want to bring forward.

We are committed to reform. As a Minister responsible for Workers Compensation, we want to make the improvements to the Workers Compensation that'll make it the most humane and efficient Workers Compensation that is in Canada.

I think there are some areas where there are improvements needed and some of the recommendations are that the structure of the board be changed. We will be looking at that recommendation, along with all the other recommendations, and discussing it with the board and see what role they have to play in the changes that are being recommended.

We're using this as one of the building blocks for a system to make it more humane and more cost efficient and all the other considerations that have to be taken to make a good Workers Compensation. There are other ideas that we have on how we should be improving the system. So we'll be taking this all in as one complete package and the commitment I'm making is that we will be bringing about reform.

MRS. S. CARSTAIRS: Mr. Chairman, we've heard the Minister now use the word "analyze" or "an analysis" a number of times both in the House and in these hearings.

Just what is the process of the analyzation that's going on? How many people in his particular ministry are involved in studying, in providing reports on this report? How many Cabinet Ministers are interested and involved in preparing the report? What is going on at the Workers Compensation Board itself in terms of the analysis of this?

HON. H. HARAPIAK: The entire Cabinet is interested in what happens to the Workers Compensation. It's an area that touches all areas of the province. Members of the Opposition, every Cabinet Minister and every caucus member has an interest in Workers Compensation and I would hope that they would all be reading the report and making the recommendations to us as to how they see the system should be changing.

Some of them have had personal experiences and some have had experiences of their constituents that they can bring to the table and make recommendations as to how we should be making changes, and, as well, just from the review committee itself.

It's been given to the Board of Directors. They have access to computers. With the technology they've got

available, they can feed that into the present system and come up with some of the cost analysis as well.

As well, we are in the process of setting up a committee which will help implement, do some additional analysis outside of the board for the implementation of the plan.

MRS. S. CARSTAIRS: I'm afraid I don't take a lot of hope from those words. Are there three or four Cabinet Ministers specifically assigned for looking at this report to make recommendations? Are there three or four staff members in his department who are devoting six, eight hours a day to the study of this particular report? What are the dynamics of this analysis in practical terms?

HON. H. HARAPIAK: Within the Cabinet structure, there are a lot of committees that are struck to deal with many different parts of government. There's a Planning and Priority Committee which makes up several members of committee and there is also a committee of Ministers that deals with Workers Compensation as well.

MRS. S. CARSTAIRS: Is that group of Cabinet Ministers that are dealing with the Workers Compensation Board now meeting on a regular basis to break down this report and set direction?

HON. H. HARAPIAK: We have met but, at this time, as you can appreciate, the Ministers who are involved have just received the copies of the report. They need an opportunity to review it fairly thoroughly before we meet once again and start doing an analysis on the entire report.

MRS. S. CARSTAIRS: When is it anticipated that kind of detailed analysis of this report will be given?

HON. H. HARAPIAK: The detailed analysis has started already.

MRS. S. CARSTAIRS: I would like to go into another area. I don't see we're getting anywhere with that one.

Can the Minister give me a little background on just what the Jobs Fund club is, or find club is, and how it functions?

HON. H. HARAPIAK: The name of it is the Jobs Finding Club and it's similar to a system set up by CEIC where it assists workers in finding employment.

MRS. S. CARSTAIRS: Can the Minister explain to me why I have had a number of calls and letters from individuals who tell me that they are informed by this club that if the club doesn't find them their job they can't take the job?

HON. H. HARAPIAK: I am not sure where the Member for River Heights would get that information, but that is not the direction that is being given out for that club.

MRS. S. CARSTAIRS: Well, I'm pleased to hear that, Mr. Chairman, but why would that perception exist that, if they find a job outside of this particular club, they

cannot take it or else they're in serious trouble with the Workers Compensation Board and their benefits are thereby in danger, even those benefits which would be above and beyond what they would get from this payment?

HON. H. HARAPIAK: I'm advised that the only reason that someone may not be allowed to take a job that they have found is that they have some medical restrictions and this job, in that category, that person is not medically fit to take that job. Those are the only circumstances that person would not be allowed to take that job, otherwise they have free rein to go and find their own employment.

MRS. S. CARSTAIRS: Can the Minister, Mr. Chairman, tell us if there is any means to supplement income, and I give you the following scenario? The person was receiving, at the time they were going on Workers Compensation, \$8 an hour. They find a job which is physically suitable to them for \$5 an hour. They're not allowed to take that job because it doesn't pay them \$8 an hour. Do we have any means to pay them through the Workers Compensation Board, to top up that income between the \$5 and the \$8.00?

HON. H. HARAPIAK: It isn't true that they couldn't take it, because it's for less pay than what they were originally making. They could take that and there are several ways in which it could be topped up.

MRS. S. CARSTAIRS: Well, I'm glad to hear that's the way it works, Mr. Chairman, but that is not what I get in my office. I get complaints about this thing at the rate of about one every two weeks about this Job Finding Club which says they are told by their counsellors they cannot take those jobs, because they pay less than they were previously earning and that there is no way to top it up.

I bring that - I mean I don't expect any further explanation from the Minister at this point, because obviously the rules are there, but it is an issue that I would like to see investigated. Because somebody's either giving them misinformation on this direction or they're misunderstanding and I think it's something that we have to clear up.

HON. H. HARAPIAK: There's obviously some misunderstanding and I would advise the Member for River Heights that she call in the worker advisors and advise these people as to what the proper procedure is to follow. I found that to be the most effective way, that's what I do when constituents in my constituency call me about Workers Compensation.

The Leader of the Opposition accuses us of political interference and I can tell you that I have not interfered in any case and, on previous occasions, when Mr. Lecuyer was the Minister responsible for Workers Compensation, I have contacted him on cases and he told me that no way would he intercede, that there is a process to follow, the board has a final say in adjudications and I've advised them to get in touch with their worker advisors. They are the ones who are most familiar with the procedure and that procedure works.

MRS. S. CARSTAIRS: Just a final comment, Mr. Chairman. I don't know whether the Minister is involving politic pressure or not, I have no indication of that at all. I would like to say that I have had a number of dealings with the Workers Compensation. One particular individual happens to be Jeff Curtis and I have been treated in the most courteous manner and I have been made everything available to me that could possibly be made available. As I say, I haven't been able to help any of the people, but at least I have been treated in a very courteous fashion.

HON. H. HARAPIAK: I think it wouldn't be fair that we just automatically resolved all the problems because some political person called. But I think as long as Mr. Curtis - and I'm pleased to hear that Mr. Curtis has given you that courtesy and given you all the information that is required. I think that's what his position is at the present time and he's supposed to be assisting people and he does his job very well.

MR. CHAIRMAN: The Leader of the Opposition.

MR. G. FILMON: Thank you, Mr. Chairman.

I wonder if I could just fill in a few gaps in some of the questioning that's going on. The Minister has indicated that the plan for 1989 break even is on operating costs only . . .

HON. H. HARAPIAK: That's correct.

MR. G. FILMON: . . . and that would involve either an immediate 57 percent increase or threestraight years of 20 percent increase in rates.

HON. H. HARAPIAK: It wouldn't be a 57 percent increase right now because the 20 percent increase is already in place, so it would be only two additional . . .

MR. G. FILMON: It would have been 57 this year or 20-20-20?

HON. H. HARAPIAK: Three 20's, right.

MR. G. FILMON: Okay. But that is only for the break-even on operating expenses, is it?

HON. H. HARAPIAK: That is correct.

MR. G. FILMON: Does that indicate that the government no longer has an intention to bring the unfunded liability into balance?

HON. H. HARAPIAK: We have to take certain things into the calculations, but if the average rate increase was 20 percent annually, you would achieve a break-even point by 1989, and then the break-even rate is adjusted to cover the accumulated deficit over a 10-year period. That takes in the assumption that the assessable payroll will increase at a rate of five percent and cost increase will be noted in the schedule. Costs rise by their own best estimate that are available each year. Other reserve costs are based on the relationship to the current year's benefit cost.

So if, by 1989, we were to be in a break-even period for the operating costs, then there would be an increase of - for some reason, it's shown as a 2 percent decrease in 1990 the way it comes up on the formula - and then there would be a 3.8 percent decrease in 1991, no increase in 1992, 2.6 in '93, .6 in '94, 2.3 in '95, 0.4 in 1996, 1.6 in '97, 0.4 in '98, and a 2.1 percent increase in 1999 would put us in a break-even point by 1999. That's for the total unfunded liability. That's not taking into consideration that there may be some additional decisions made by Cabinet in the meantime, or by the actuaries, that may change that formula.

MR. G. FILMON: Firstly, I want to thank the Minister for indicating as he did - and he'll have to read Hansard to make sure he does realize that he said that the formula or the table that he's got there is to overcome the accumulated deficit over a 10-year period. He did say that. So I'm glad he's no longer using the "unfunded liability" term and I thank him for that.

Secondly, I would like him to table that analysis because I'm a little confused if he's telling us that those increases of .4 and 1.2 percent per year are going to take account of inflation and everything and still be able to overcome the \$84 million accumulated deficit over a 10-year period - is that what he's telling us?

HON. H. HARAPIAK: Yes. Based on the information that was taken into consideration, the best information we have available at this time was fed into the computer and that's what came out.

I want to apologize to the Leader of the Opposition for . . .

MR. G. FILMON: You don't have to apologize for being right, finally, Harry.

HON. H. HARAPIAK: . . . for making a mistake in calling it a deficit and it is an unfunded liability. I'm only human.

MR. G. FILMON: No, no, Harry. You won't get away with that. It was right in your notes, Harry; that's it. Somewhere you read that, I know.

Mr. Chairman, would he consider tabling that chart? I think I'd like to be able to analyze that.

HON. H. HARAPIAK: Yes, I will table that.

MR. G. FILMON: Thank you.

In effect, Mr. Chairman, the Minister is now acknowledging that future employers are going to be paying additional costs to overcome the liability, the unfunded liability, or accumulated deficit, with their increased costs over a period of time on claims that have already been made and settled and awards that have been implemented. That's what the Minister is telling us.

HON. H. HARAPIAK: I guess we're faced with a choice. We could have implemented a 57 percent increase last year. This year it was 57 percent.

I guess we were faced with a choice of economy. It was recovering at that time; then we met and consulted with the business community which plays a very big

role in this Workers Compensation system, and they asked us to spread the costs out, that they would sooner receive the costs over several years rather than one big increase at one time.

I guess you have to acknowledge that it has worked because, quite clearly, our economy has recovered. I don't think the Leader of the Opposition can argue with that. There's been good results in there. So we have had fruitful results in the area of the economy recovering but this cost will be spread out over future years.

MR. G. FILMON: Mr. Chairman, the fact of the matter is that the deficit has continued to mount year after year after year, and this year being no exception; in fact, this year being an incredible increase in the projected deficit despite the fact that people have been having their rates increased at 20 percent per annum - a massive increase. And yet still the program will see future employers - many of whom may not even exist in Manitoba today - paying increased costs in order to pay for injuries that were incurred, claims that were settled in the past, and have resulted in this massive deficit.

Mr. Chairman, I would like the Minister to indicate: Firstly, is he tabling that chart so that we can be able to analyze it?

HON. H. HARAPIAK: Yes, I said I would table that report.

I guess it's unfortunate that the Leader of the Opposition didn't take as much interest in Workers Compensation when he was a member of the Cabinet back in the Lyon years, because those are the years that we could have put the Workers Compensation system on a firm footing. Those are the years that the Saskatchewan Workers Compensation opened up their books to the business community and laid it out and said, look, this is the problem we're heading into. They increased their rates at that time to \$2.30 a hundred.

What did we do in Manitoba? During those years, we were reducing our rates even though you could see that we were heading for trouble down the line. The Leader of the Opposition was a member of the government that chose at that time to reduce our rates to the detriment of our Workers Compensation, and the employers that he is saying are going to have to be paying costs in future years is because of a decision he didn't make in the years they were in government. It's unfortunate that they wouldn't have had a little foresight at that time and had the courage to put the increases in place that the Saskatchewan Government did and put their Workers Compensation on a firm footing at that time. Now they've got surpluses rather than an unfunded liability.

MR. G. FILMON: Mr. Chairman, that's absolute crap. The system paid its way fully and put aside money for future claims and was operated on a surplus basis. The major difference, of course, obviously, was all of the changes that have been made in that period of time since 1981. Major changes that had huge cost implications the government had no idea of and now, of course, they're trying to unscramble the egg.

We'll talk more about that; but, Mr. Chairman, I want to find out just exactly what this Minister does know

about the future because he has indicated that the King Commission recommendations are cost neutral.

That means that the cost will indeed go up because it has been identified that many of those recommendations, 178 recommendations, will have severe cost implications. Of course, the other side of the balance sheet is that the revenues will go up because they will bring on stream, if the King Commission recommendations are followed, people who today are self-insured, independent contractors, farmers, white collar workers and so many others. So the implication is, if it's cost neutral, the costs will go up but the revenues will go up by a like amount by implementing their 178 recommendations.

I want the Minister to tell us: How much will the cost go up and, therefore, how much will the revenues go up to match it?

HON. H. HARAPIAK: The Leader of the Opposition refers to us not knowing how much is going to be operating. I think they should hearken back to the years, once again, when he was a member of the government that received the Lampe Report. There was no cost analysis done on the Lampe Report, and even though you received it five months before the people of Manitoba chose to have a change in government, you still didn't do any cost analysis on the Lampe Report.

The Lampe Report is a prime reason why there were increases in costs in 1982, because when we got in there, you may see the services were being delivered. There was very little rehabilitation being done. The injured workers were not being rehabilitated and I guess you were running a system where it was based on the amount of interest you could draw on a lump sum of money and that's what you based your rehabilitation on. If that's the kind of rehabilitation system you want to go to, I don't think it's what the workers of Manitoba want to go back to.

There is an assumption that it is going to be a massive increase in cost. There is study after study which shows that if there's a rehabilitation system in place that is working effectively, it is cost effective. So if that rehabilitation system is working properly, then there could be a reduction in cost rather than an increase in cost.

There are several studies that show how cost effective it is to put a person back on their feet very quickly rather than keeping them on pensions for many years to come. So those are some of the changes that are being recommended and that's some of the changes we hope to be implementing further.

MR. G. FILMON: Mr. Chairman, it may come as a surprise to the Minister responsible, but I'm well familiar with that. In my business, that's what we do. We train people so that they can be rehabilitated to work in different areas. In fact, we train clients of the Workers Compensation Board, and we have for more than a couple of decades. So I'm well aware of the major benefits of rehabilitation, retraining for new focus, new careers, new opportunities so that they don't have to continue to be a cost to the system.

HON. H. HARAPIAK: Then you should be very supportive of what's been going on.

MR. G. FILMON: I am, but I'm supportive of an effective system, and that's precisely the word that the Minister used that hasn't yet been proven by the operation of this administration with respect to rehabilitation. It hasn't been proven to be effective in many ways, and it's been used as a catch-all for many other things that it ought not to be; and that's what his own staff have told him.

Mr. Chairman, I want to get back to the very simple question. He has stated unequivocally that the King Commission, through their vast experience, have estimated that the implications of this will be cost neutral. Therefore, the increase in revenues will match the increase in cost. What is that increase expected to be?

HON. H. HARAPIAK: I'm sure that the Leader of the Opposition is on very good speaking terms with one of the members of the review committee who was very instrumental in this review. Mr. Tom Farrell has been involved with International Nickel and their workers compensation for many years. One of the people who came forward with that statement, that it will be cost-neutral, was Mr. Tom Farrell from International Nickel. So based on his experience and Brian King's experience as a chairperson of Workers Compensation Board in Saskatchewan and Lisa Donner's experience as a person who has helped many injured workers, they say that it was cost-neutral. That's the best statement I've got at this time, and we have not done the financial analysis up to this period.

MR. G. FILMON: Mr. Chairman, now I have grave concerns that this Minister wants me to go and do his job for him and go and ask the questions of the individual members of the King Commission. He is not even concerned that staff in the Workers Compensation Board are saying that the cost implications could be double or triple. He is not even interested enough to go and ask these people themselves. He's saying it's my job as the Leader of the Opposition to go to individual members of the King Commission and get them to estimate for me. We're back to the Coopers and Lybrand scenerio in which he doesn't even know what questions to ask, so how are we going to rely upon him?

I want to know, Mr. Chairman, or have some indication of how we got from a deficit projection of \$25.8 million in the last fiscal year to \$84 million in this fiscal year. I guess I'm getting some indication that this Minister had absolutely no idea what was going on at the board, and evidently there isn't the information within the board senior administration either. We just simply went magically from a deficit of \$25.8 million projected to now \$84 million overnight as a result of the Mercer Report, and nobody had any idea what was going on or the cost implications of anything that was going on. I'm concerned that this Minister is going to proceed in exactly the same way, because he isn't even willing to ask the questions ahead of time of what cost implications might be.

HON. H. HARAPIAK: The Leader of the Opposition was good enough to table the Wiebe letter in the House quite recently, so that's an indication of some of the

work that was being done by the Director of Finance. He raised some warning flags at that time, and that work has continued at Workers Compensation. They are doing some analysis of where we're heading as a Workers Compensation.

Actuaries did a report in 1984, and they accepted the figures at that time. We did not need to have the dollars in place. There was not enough history established for rehabilitation, so there was no need to have the total fund in place, and the staff asked for additional information prior to 1986. The work was being done. The staff gave that information to the actuaries, who then came out and said there's enough history now that you have to have the dollars in place for the rehabilitation program that was taking place. So there is work being done on what the costs of the rehabilitation are, and that's why they came up with the figure of the \$84 million unfunded liability.

MR. DEPUTY CHAIRMAN, M. Dolin: The Member for Tuxedo.

MR. G. FILMON: Mr. Chairman, will the Minister table that Mercer Report that was done in 1984 then so that we can see it?

HON. H. HARAPIAK: We haven't got the report here, but we can make it available.

MR. G. FILMON: For the next meeting?

HON. H. HARAPIAK: Yes, we can have it for next meeting.

MR. G. FILMON: Did the Minister indicate that the chart that would see us overcome the accumulated deficit in 10 years would also be tabled?

HON. H. HARAPIAK: That is correct.

MR. G. FILMON: Mr. Chairman, the Minister indicated that staff had some concerns and, therefore, Mercer was asked to do the report that he tabled early this year. I think he said it was as a result of the former Director of Finance's analysis that the Mercer people were called in. Is that right?

HON. H. HARAPIAK: We were in the process of developing this information. The Director of Finance is an employee of the board, and he was acting on their request.

MR. G. FILMON: The chairman of the board is here. I wonder if the Minister could ask the chairperson how early on they had an indication that the unfunded liabilities or the deficit was as high as it was or higher than it was indicated.

HON. H. HARAPIAK: I am advised that they became aware of it in January of '87. The Member for Tuxedo should be aware that, up to this point, it was discretionary that they could pay as they go with the area of rehabilitation. But then the Auditor said it was mandatory to have that unfunded liability in place to pay for that rehabilitation that was taking place.

Thursday, 18 June, 1987

MR. G. FILMON: Well, January of '87 was when the Mercer Report was produced, wasn't it? So then is the Minister indicating that, in fact, the Mercer Report flowed from the concerns that were raised by Mr. Wiebe, the Director of Finance?

HON. H. HARAPIAK: The test auditors, Peat Marwick Mitchell, were the ones who made them - it was their report that information was based on.

MR. G. FILMON: Which audit report? For the year ending when?

HON. H. HARAPIAK: For the year ending 1986.

MR. G. FILMON: What's the financial year-end? Is it December 31?

HON. H. HARAPIAK: That's correct.

MR. G. FILMON: Wiebe's report was earlier than the audit report.

HON. H. HARAPIAK: Wiebe came out with his letter on December 31 of '86 and he was working with the auditors, the test done of the auditors. I guess that's when he felt it was his responsibility as Director of Finance - and I would think it should be his responsibility as well to be waving the red flag. As Director of Finance, he should have been aware of that sooner, I would think.

MR. G. FILMON: So the Minister's indicating really it was the fault of the Director of Finance that this was not identified much earlier?

HON. H. HARAPIAK: No, I am saying that, in 1984, the formula that was in place was accepted as acceptable by the auditors. The test auditors were fully aware of the four successive years, and they were fully aware of the board's operation and they approved it.

MR. G. FILMON: But the Minister clearly just said that the Director of Finance should have identified this earlier.

HON. H. HARAPIAK: I think it would be difficult before the board asked test auditors or the actuaries to get some additional information. So once he started working with test auditors, then he became aware of it.

MR. G. FILMON: As Director of Finance, he would be working with test auditors every year in preparation for any audit. Why this year? Why 1986?

HON. H. HARAPIAK: They review our reserves every year and they were satisfied with the formula and the funding that was in place, and then the Director of Finance worked with them every year. I guess there was a change in the way the test auditors were viewing - I guess there was a change in all of auditors right across Crown corporations. They were just becoming more cognizant of their responsibility as auditors, I guess.

MR. G. FILMON: So it was the auditor's responsibility that this huge unfunded liability that grew virtually overnight by \$59 million was overlooked. The auditors weren't doing their job then?

HON. H. HARAPIAK: The Member for Tuxedo should be aware that less than half the boards in Canada set aside funds for future costs of rehabilitation. So at this point, half the boards in Canada do not have funds set aside for rehabilitation. So the auditors insisted that we would have that unfunded liability listed.

MR. G. FILMON: Why didn't the auditors insist that be shown in previous years?

HON. H. HARAPIAK: You have to ask the auditors.

MR. G. FILMON: Has the Minister considered changing the auditors then, if they have not been responsible in their job?

HON. H. HARAPIAK: I am advised that the Department of Finance appoints the auditors to the commission.

MR. G. FILMON: Will this Minister be recommending to the Department of Finance that they change the audit firm, because they did not draw to the attention nor require that this major unfunded liability or deficit be shown?

HON. H. HARAPIAK: I guess maybe the auditors became a little more aware of the standards that were being set in their industry. That made them a little more conscious of what was going on in the whole area of rehabilitation. So I guess they recognized their responsibilities to caution us and make sure that future rehabilitation funds were provided for.

MR. G. FILMON: Mr. Chairman, would the Minister, rather than guessing, write a letter to the auditors and ask them why overnight they insisted on an additional \$59 million being shown in liability? For years previously, they signed the audit statement without requiring this to be shown.

HON. H. HARAPIAK: As a matter of fact, the chairman did inquire of the auditors why the change. The auditors indicated that another year added to the past experience in their view had established a trend. So now with the four years of rehabilitation in place, that gave us enough history. We couldn't just say, well we may be providing rehabilitation. We had shown that we were committed to providing rehabilitation to the injured workers; we were committed to providing those services to the injured workers and their dependents and their widows. So therefore, they said, based on that four years of history, that we were required to have an unfunded liability.

MR. G. FILMON: Mr. Chairman, that now is with respect to the '80 formula. Now we have an indication both by Wiebe and by King that unfunded liability is substantially higher. What has the Minister done to analyze that assertion by both those people who have reviewed it and to their satisfaction indicated that it is probably closer to \$100 million higher?

Thursday, 18 June, 1987

HON. H. HARAPIAK: The member is obviously referring to indexing of pensions and I guess there would be a requirement of Cabinet to pass legislation that would index pension automatically and would require an additional \$100 million. That's a decision that Cabinet would have to make. So prior to Cabinet making it, we know that if we did pass the legislation automatically, there would be \$100 million. When we make that decision as a Cabinet, we'll know that we're facing those additional costs.

MR. G. FILMON: Are the pensions being indexed as a matter of practice rather than automatically at the present time?

HON. H. HARAPIAK: It is a practice that has been established since 1972 except for one year when the Leader of the Opposition was in government when it went three years. It has been a matter of practice to increase the pensions every two years.

MR. G. FILMON: Well then even though Cabinet hasn't passed an order, it's a matter of practice that should be reflected, isn't it?

HON. H. HARAPIAK: The actuaries have accepted that it has not been passed in legislation at this time and the actuaries are accepting the figures as has been put forward.

MR. G. FILMON: If as a result of experience of four years in the rehabilitation program they say that we now should account for the expected costs, why wouldn't they as a result of experience reflect the additional costs as a result of the fact that you are indexing the pensions by practice if not by order in council?

HON. H. HARAPIAK: I guess that's a question that the Leader of the Opposition again maybe should ask the actuaries. We questioned on them and it was an accepted practice, they accepted the figures that we had put forward. I should tell you that there are only four boards in Canada who have automatic indexing. The actuaries, who are the ones who accepted the accounting practices in all the financial institutions, have accepted the figures we have put forward.

MR. G. FILMON: Mr. Chairman, the Minister is acknowledging that, as a matter of practice, those pensions are being indexed even though they're not required by legislation or Order-in-Council. That is an acknowledgment that he knows that's a liability out there to the system. Unless he puts through a policy or a piece of legislation saying we will not increase it, we will not index it in future. The knowing that you're committed to it, and you have by practice done it, it's up to you to make that determination with the actuaries or the auditors. It's not up to me as Leader of the Opposition to go to the auditors and tell them what's happening.

HON. H. HARAPIAK: I have been informed that there have been discussions with the auditors on this issue and they say it does not create a current liability. So

it's not necessary to have the unfunded liability the same as it is for the area of rehabilitation. The accountants use conventionally accepted accounting practices and Cabinet doesn't give these practices. The practices are established by the auditing firms.

MR. G. FILMON: Mr. Chairman, I would like to touch on another matter. I wonder if the Minister could indicate what is the role of the Minister's liaison officer, Ken Carrol, and where does his salary show up? Is he paid by the board or by the Minister's department?

HON. H. HARAPIAK: Ken Carrol's position is under one of the review officers and he is paid by the Workers Compensation Board. His role is to act as a liaison between the Compensation Board and the Minister's Office.

MR. G. FILMON: What office does he work out of?

HON. H. HARAPIAK: Out of the Workers Compensation Board Office on Hargrave Street, the satellite facility office.

MR. G. FILMON: He's not at the main office?

HON. H. HARAPIAK: No, he's not.

MR. G. FILMON: How can he be a liaison with the board if he doesn't work at the board? Does he spend any time at the board's main offices?

HON. H. HARAPIAK: He has a person that he communicates with directly with the board whenever there is some information needed with the board.

MR. G. FILMON: Who does he communicate with at the board?

HON. H. HARAPIAK: He has three people he communicates with - the Secretary to the Board, George Davis, Karl Loewen and Jeff Curtis.

MR. G. FILMON: Who are those people?

MR. DEPUTY CHAIRMAN: The Minister.

HON. H. HARAPIAK: George Davis is the Secretary to the Board, Karl Loewen is a Research Analyst, and Jeff Curtis is a Review Officer.

MR. G. FILMON: Does he ever attend board meetings on behalf of the Minister?

HON. H. HARAPIAK: No, he does not attend board meetings.

MR. G. FILMON: Never?

HON. H. HARAPIAK: Never.

MR. G. FILMON: Does he ever communicate directly with the chairperson of the board?

HON. H. HARAPIAK: He does on occasion, not usually.

Thursday, 18 June, 1987

MR. G. FILMON: I wonder if the chairperson could indicate whether or not he's communicated with her during the past six months.

HON. H. HARAPIAK: Yes he has.

MR. G. FILMON: I wonder if the Minister could indicate whether Mr. Carrol was in contact with Mr. Brian King during the Review Committee's analysis.

HON. H. HARAPIAK: I believe the Leader of the Opposition has read the report of the Review Committee and Mr. Brian King acknowledged his friendship with Ken Carrol and thanked him for his hospitality while he was in the City of Winnipeg.

MR. G. FILMON: Could he indicate if he lived at his home during time time or . . .

HON. H. HARAPIAK: No, he did not live at his home. He was a friend of his.

MR. G. FILMON: I see. Did Mr. Carrol have any role in drafting the report?

HON. H. HARAPIAK: No, he did not.

MR. G. FILMON: None whatsoever?

HON. H. HARAPIAK: None whatsoever.

MR. G. FILMON: None whatsoever?

HON. H. HARAPIAK: He may have conversed with Ken Carrol during the course of the hearings, but in the drafting of the report, he was not involved with the drafting of the report.

MR. G. FILMON: I wonder if the Minister, who has earlier indicated that: (a) there is no political interference with respect to any claim being dealt with of the Workers Compensation Board; and (b) that the Minister's liaison never attends board meetings, meetings of the Board of Commissioners, I wonder if he can indicate, having said that, why it is that his predecessor, Mr. Lecuyer, said, "In response to an individual on a particular file, as requested in your letter, I will ask my liaison officer to attend the forthcoming meeting with the Board of Commissioners."

Why would he have said that if (a) there's no political interference with respect to any claim; and (b) that liaison officer never has attended a meeting of the Board of Commissioners?

HON. H. HARAPIAK: If you would give me a copy of that letter, table a copy of that letter, then we would be able to deal with it, but the chairman has told me that he does not attend board meetings. All Mr. Lecuyer is saying is he's advising a client as to what route he should proceed in order to get his claim dealt with and that's an appeal to the board which I would advise some of my constituents who are having difficulty with certain cases.

MR. G. FILMON: No, Mr. Chairman, that is not the case. This is a letter to a regional vice-president of a

union in response to a request by the union for the Minister's intervention on behalf of an individual worker. I will be happy to table this correspondence, if the Minister will table the entire file on this, so that we can see the results of that political interference with respect to the claim.

HON. H. HARAPIAK: I think that the Leader of the Opposition is aware that there is some confidentiality involved in any file which cannot be acquired. There is confidentiality in which those files are not available to anyone except for the clients themselves.

MR. G. FILMON: I understand that the medical information is confidential and I won't request that confidential part. I want the rest of the file to be tabled and the Minister can have this part of the file.

MR. DEPUTY CHAIRMAN: The time being five o'clock, I am interrupting the proceedings for Private Members' Hour.

Committee rise.

SUPPLY - FINANCE

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

We have been considering the budgetary Estimates of the Department of Finance. We have just heard the Opposition critic's reply to the opening statement of the Honourable Minister. The staff of the department are already here.

Deferring budgetary Item No. 1 relating to the Minister's Salary as the last item for consideration, we shall begin with 1.(b)(1) Administration and Finance, Executive Support: Salaries; 1.(b)(2) Other Expenditures.

The Honourable Minister.

HON. E. KOSTYRA: Thank you, Mr. Chairman.

I had intended to answer some of the comments that were made by the Opposition Finance critic, but that's not possible at the present time so I'll have to leave that for another opportunity.

I would just like to introduce the staff who are here. The first person doesn't need any introduction. He's well known to members of this committee and indeed other committees of this Legislature, the Deputy Minister of the Department of Finance, Charles Curtis. Also, on my immediate left is Eric Rosenhek who is the new comptroller in the Department of Finance. To Mr. Curtis' side is Mr. Don Rice, who is manager of Financial Accounting in the department.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, the Minister can correct me if I'm wrong. Our critic was unavoidably delayed this afternoon and we've got general questions which may not fit in a particular line because the critic wanted to come back. I believe he discussed with the Minister that we would have a general discussion this afternoon and then get into specific line-by-line the next time we get into Estimates.

I've got some questions of the Minister which deal with issues raised during the Health Estimates. During

the Estimates of the Department of Health, which was the first department up, we were into those discussions of the funding to the various institutions - hospitals, personal care homes, the Brandon Mental Health Centre and the Selkirk Mental Health Centre - and the funding that was appropriated in the Estimates. It was learned, during questioning of the Minister, that it did not include any provision for the increased levels of taxation that the Minister had introduced just prior to getting into the Department of Health Estimates.

Given that the Department of Health is a very substantial wage department, i.e., all the member facilities, a rule of thumb is that 75 percent of your funding of hospitals, personal care homes, etc., are staff costs. With the imposition of a 50 percent increase in payroll tax, it would have a fairly significant direct effect on the budget of those facilities. The Brandon Mental Health Centre and the Selkirk Mental Health Centre are two directly funded institutions which are equally impacted.

Now the Minister of Health, during the Estimates process, indicated that he would be approaching the Treasury Board and the Minister of Finance for additional funding to supplement those tax increases that were brought down by this Finance Minister in his Budget.

The Minister of Health indicated that those additional supplementary Estimates would be sufficient to cover the payroll tax which was increased, as I say. He also indicated that, for facilities which relied substantially on electric heat, the one-time-forever 4.7 percent increase in hydro rates would also be requested by supplementary funding, and other areas that impacted from the Budget, the provincial sales tax, telephone rates, etc., would also be part of a request for supplementary funding.

Given that background, can I ask the Minister whether that request for supplementary funding has been prepared by the Department of Health and is in process with the Treasury Board and he as Finance Minister?

HON. E. KOSTYRA: The specific provisions for a number of the changes in revenue are dealt with, and a number of revenue increases are dealt with in a number of different ways throughout the government system. First of all, with respect to the health and post-secondary education levy, which I believe the honourable member was referring to when he mentioned the payroll tax - I'm not sure. He may wish to clarify that, but I believe that is the item that he was referring to, the health and post-secondary education levy. In terms of the Provincial Government departments, which includes the Brandon mental health institution and the Selkirk mental health institution and other agencies like the Manitoba Developmental Centre, those are put into the Estimates and are to be covered in these Estimates through the Civil Service Commission. So any of the levy costs to departments and the increase that was put in place in this current year are covered in the budget of the Civil Service Commission. There are sufficient funds there which will cover the levy and the increase in the levy for government departments and those institutions which are part of government departments, like the Brandon Mental Health Centre and the Selkirk Mental Health Centre. So those are covered.

In regard to the other organizations such as health care facilities, personal care homes or indeed other facilities that rely on Provincial Government funding, either in whole - which is pretty well the case with health care facilities - or in part, other agencies such as those who come under the Department of Community Services or the Department of Education like universities, the practice has been in the past that they are dealt with on an area-by-area basis or budget-by-budget basis.

We would be expecting most of the facilities and institutions to be able to absorb and to manage within their affairs most of the impacts of the changes in revenue, just the same as we have to when the Federal Government increases unemployment insurance or increases other taxes, and indeed we may have to after the announcements which will come tonight. There may be impacts because of changes that Mr. Wilson's bringing down mid-year that will impact on either ourselves as buyers of information or others. You have to deal with that within your Budget, and sometimes you have to do some juggling in order to accommodate those increases. So I guess, generally, we would expect that institutions would cover most of those areas.

However, in saying that, I guess the major area of impact would be the change in levy, and that is one that is under serious consideration now by the government with respect to health care facilities and education facilities. That is the area that is under review, and it may be accommodated for or some adjustments made. If that is the case, there are a number of ways that might be dealt with.

One is that, as I understand it, hospitals from time to time have had deficits which carry over to the following year and have to be adjusted for in the budgets of those institutions in a subsequent year. That is obviously one way.

A second way would be to make some accommodation during this current year for that and to see if there is flexibility within funding the Department of Health to accommodate that or, if there wasn't, to authorize additional funds for the department.

Or the third manner would be to have the hospitals deal with that within their own operations or other facilities for that matter.

So all those options are under consideration at the present time.

MR. D. ORCHARD: Mr. Chairman, that's a most interesting answer from the Minister of Finance. The Minister of Finance was in Health Estimates one evening when we were discussing this, and I can now understand the rather strained look on his face as he sat on the sidelines and the Minister of Health indicated that there was basically only one option that he thought was appropriate, that being Supplementary Supply funding.

Mr. Chairman, let's put this one into perspective, because right now - and I realize this Minister is not the Minister of Health, but he's mentioned two areas: firstly, deficits in the hospital facilities and in the personal care homes to some extent too. If my memory serves me correctly from information tabled by the Minister of Health during his Estimates and if my colleague, the deputy critic of Health, were of good memory, I think she could confirm that I believe it was \$27 million in

deficits that are facing those health care facilities this year.

Now, Mr. Chairman, to put this into complete perspective, because the Minister of Finance obviously has given the directive to the Minister of Health that we can no longer exercise Option A, as the Minister just laid out as one option to cover the additional payroll tax and additional hydro costs, that being the long-established practice, I guess we would call it, of hospitals after their year-end having accumulated an operating deficit would then come to the Health Services Commission and negotiate additional funding, additional base in their funding levels to cover that deficit.

Now Option A, as the Minister just laid out, is not available because the Minister of Health has given a directive to all hospitals in this province that, as of the end of this fiscal year, there shall be no more covering of operating deficits in the hospital system. If the Minister of Finance wishes to correct me on that date, I believe it is the end of this fiscal year. Do I get a nod from anybody who knows over there? Is it the end of this fiscal year? The Minister's going to answer when I sit down.

Now given that Option A is gone - either that, or the Minister of Health was only playing a game of financial chicken with the financial institutions. But I don't think that's the case because, in the case of Brandon General Hospital, there are 31 beds permanently closed right now to accommodate their deficit. There are 49 additional beds closed for a four-month period this summer, again to accommodate their deficit.

We know that Victoria Hospital has put a \$2-million plan before government, before the Services Commission and the Minister of Health, which involves the closure of I believe 48 beds permanently in that hospital. I am told that wings in the Health Sciences Centre are being proposed for permanent closure. We know that Concordia Hospital has been given developed plans to permanently close hospitals. We know there is a substantial revamping of operations at Seven Oaks Hospital. They now have in excess, I believe, of 90 panelled senior citizens there awaiting personal care home placement, occupying probably 30 percent of their bed capacity. That is going to be reshifted and reallocated with staff changes etc., etc., is our understanding.

Mr. Chairman, the Minister gave us three options. The first option is not a viable one unless the Minister of Health, as I say, is playing a game of financial chicken with the health care facilities in the province, because he said there are no more deficits to be covered and has invited those boards to develop for his perusal and government's approval plans of bed reduction to accomplish living within the budget grant.

Now, given again that background - and we discussed that thoroughly in the Health Estimates - given that hospitals were already in a deficit position, and given that there was no budgeting whatsoever in terms of their increased funding this year to accommodate the payroll tax, to accommodate the hydro rate increase, to accommodate the sales tax increase, to accommodate the 12 percent telephone rate that our House Leader has just mentioned in his grievance, to accommodate all of these additional costs imposed by government out of control basically, the Minister of

Health said, well when they're not allowed to run deficits, then I'm certainly going to have to go back to the Minister of Finance and ask for additional money.

Now the Minister has said that there are three options. We've eliminated the first one, that being running a deficit. The second option is to come to the government, to him as Finance Minister, receive additional funding, and he said that may or may not be. The third option that the Minister then has laid before us this afternoon in committee is that the third option would be that those health care facilities must live within their means and find a way to absorb the extra payroll tax, the extra hydro rate, the extra sales tax, the extra telephone rates, and all the other cost impositions resulting from budgetary proposals and Crown corporation rate increases.

Mr. Chairman, if the third option, i.e., the hospital facilities absorb it within their budgets, that means that we're not going to have a 48-bed proposal of closure from Victoria Hospital. We're going to have a 60-bed closure proposal.

So let us find out this afternoon from the Minister just where the government's policy will lead us in determining whether the second or the third option shall be the one followed. Either the hospitals are granted more money to cover those costs, or those very same hospitals will close more beds and further reduce services in the province, because the first option is obviously out.

HON. E. KOSTYRA: Mr. Chairman, I'm not certain how these issues relate to the departmental Estimates of the Department of Finance, but I presume that the member wants to rehash and redebate issues that he has attempted to address before.

Let me try to deal with some of the generalities of what the member is saying or suggesting. First of all, I find it somewhat strange that the member takes such a forceful position with respect to the position of health care in the Province of Manitoba. We are debating Estimates - and I'm talking about the global sense now, not this department, and he did so when he dealt with the Department of Health - that provides for a significant increase in dollars from the taxpayers of the Province of Manitoba for health care, a significant increase and more money in this Budget from the taxpayers of our province going to health care. He knows that, but he fails to recognize that.

That is in stark contrast to what his colleagues in other provinces are doing with respect to health care, where they are reducing the overall funds for health care. Indeed, we had the example yesterday, Mr. Chairman, of the Saskatchewan Government bringing down a Budget, which not only increased revenues in a significant way because of their problems, but at the same time reduced transfer payments from the Provincial Government to health care facilities, to municipalities - and do you know what else? - decreased support to farmers by 25 percent.

Of course, that's just after an election when they promise a lot more money for farmers. They had an election - the Member for St. Norbert's chuckling, and I recall his comments previously in dealing with the Main Supply motion, where he talked about cover-up. I find it passing strange that he didn't bother to mention

the situation in Saskatchewan, where they had a deficit on the day before the election of \$300 million and, the day after the election, they had a deficit of \$1.5 billion. I thought he would have commented on that.

I find the general comments somewhat strange coming from the Member for Pembina when he has got this deep-founded concern about what's happening with health care when he sees more money - and he knows there's more money, significantly more money - going into the health care system from the taxpayers of the Province of Manitoba, and the reverse is happening in provinces that had the opportunity to compare what is going on with a government that is run by Conservatives as against that which is run by a New Democratic Party.

MR. G. MERCIER: What do the NDP say about the deficit there?

HON. E. KOSTYRA: The deficit in Saskatchewan in their Budget is close to \$600 million, and I was flailed around here not just that long ago for bringing in a deficit of \$450 million. I'd like to spend a great deal of time talking about relative deficit levels in this country of Provincial Governments, comparing one government to another. I'd like to do some debating on how it relates to percentage of GDP in various provinces. I'd like to get into that debate so you can see how we stack up in the Province of Manitoba and with interest charges, because I think you will find the details of that discussion quite illustrative of what's taking place in Canada generally, the kind of strain that Provincial Governments have, the kind of strain that Provincial Governments in the smaller provinces have and, interestingly enough, the actions that have been taken by Conservative Provincial Governments further out west and further out east in terms of dealing with their fiscal problems and what that's meant to their deficits, their accumulated debt and their interest charges.

However, the Member for St. Norbert has caused me to move off of where I was in trying to respond to the specific questions and points raised by the Member for Pembina. First of all, he indicated that, while sitting in the Committee of Supply in the other committee room, I was somewhat strained when the Minister of Health responded to some questions regarding this issue when it was being dealt with by that committee. I believe that was not true. There may be a variety of reasons why I was strained at that time. It may have been the hour, it may have been gas pains, it may have been the fact that it was the Member of Pembina asking the questions and sometimes that causes strain.

So I would not attempt to read too much into that, but let me just comment on the options. He is somewhat dismissing all of the options. As I indicated, this matter is under consideration. We are reviewing all the options and, hopefully, with the work being done by the Department of Health - and the health care administrators of the facilities in this province will make the right decision in terms of the overall concerns of the health care system and the overall concerns of the fiscal situation in the province in terms of the amount of monies that are available for the various government purposes.

But it's not uncommon for various increases to take place. Indeed the Federal Government institutes

increases. In the last Budget, it had impact on all institutions in the province, and indeed it may be the case tonight that there will be provisions that may come down as a result of the White Paper proposals that will impact positively or negatively on health care facilities or individuals in our province or other institutions that will have to be dealt with by those institutions in the normal course of their activities.

So we intend to continue to work with the health care facilities and I know, if the Minister of Health was in the position that I am, he would indicate that we are still working on those options in due course, as was outlined in response to questions in question period, I think it was yesterday, as a result of a question from the Member for Fort Garry to the Minister of Education. But we will ensure that members are aware of our decision in that regard.

MR. D. ORCHARD: Mr. Chairman, I have to say that I'm slightly amused at the Minister's answer, because the Minister, as is often the way of members of this government when faced with a problem at home, they say, well everything is fine here, but it's the rest of the world that isn't operating properly. There are bigger problems in Saskatchewan, Alberta, British Columbia. They don't mention Ontario, mind you, but always they never answer for the problems they created in this province in five years. They never refer to the problems they've self-imposed on themselves.

Mr. Chairman, the interesting thing in what the Minister is saying is that I know I'm supposedly, as health critic, to be aware of this massive increase in funding to health, and I know full well that it's being adequately funded. But, Mr. Chairman, it was his colleague, the Minister of Health, who said in committee, we don't have enough money in our funding to health care facilities to cover the extra payroll tax, the extra hydro rates, the extra cost imposed on telephones, sales tax, etc. It wasn't I who said that, Mr. Chairman. That was the Cabinet colleague of the Minister of Finance, namely, the Minister of Health. It was he who said he was going to have to go and get extra money from the Treasury Bench, from the Minister of Finance, so that services would not be cut in hospitals. It was he who said that, not me.

So, Mr. Chairman, I simply want my honourable friend, the Minister of Finance, to get together with his Minister of Health and discuss the implications of these tax increases on health care budgets and their ability to operate those facilities. You know, painful as it may be to remind this Minister of Health, I think it incumbent on him. He posed the question: What does this discussion on health care budgets have to do with Finance Estimates?

It seems to me that the Finance Minister's job is to allocate the funds to the various departments. It seems to me that the Department of Health, in taking up \$1.4 billion or 29 percent of the Budget would receive some consideration during Finance Estimates as to how that money was being spent, whether it was adequate, whether his Budget impacted on the Department of Health, in the funded facilities.

So maybe I'm wrong, maybe this Minister of Finance has an incredibly enlightened view of what a Minister of Finance should do, in that he should not be

responsible for the money he allocates as Minister of Finance to the various departments, including Health.

But you know, when we were government, that was what I thought was the role of the Minister of Finance to justify . . .

A MEMBER: Do you remember that far back?

MR. D. ORCHARD: Oh, yes, I remember that very well. Those were days when hospital beds weren't being closed, when patient care was at a higher standard by a number of multiples than what it is today. That's when hospital beds were being built, not closed; personal care homes were being built, not closed. As a matter of fact, to the Minister of Finance, we built a hospital in Selkirk, something that the Member for Selkirk could never figure out how to proceed with. But when we were in government, we made the decision, we built the hospital.

We built a hospital in Snow Lake. Do you recall the television pictures of the roof leaking in the various rooms and the paint falling off the walls? Well the NDP member who represented that constituency obviously couldn't convince the Schreyer Government to replace that hospital, but we built it. We built hospitals; we didn't close them.

Now under this new regime of - what is it called? - orderly cutbacks in health care. We're having hospital beds closed, not opened. We're having deficits not covered. We're having taxes imposed that they either have to get more money in their budget or else they will reduce services to the people of Manitoba in health care, further reduce services to the people of Manitoba in the delivery of health care, because there's been substantial reduction already.

So, Mr. Chairman, I believe this has everything to do with the Minister of Finance in these Estimates because, as I've said, if these people expect the health care facilities to cover those additional costs out of the Budget that we approved some two months ago, then that means there are more bed closures. I don't know what decision this government is going to make as to whether they're going to allow bed closures to pay for the payroll tax, to pay for the hydro rate increase, the one-time-forever one, whether they're going to allow beds to be closed to pay the extra sales tax, the extra telephone rates. But, Mr. Chairman, if they follow Option 2 and they put up more money, as the Minister of Health has indicated is his choice, then this Minister's \$417 million deficit will rise.

A MEMBER: 415.

MR. D. ORCHARD: Pardon me, 450.

A MEMBER: Fifteen.

MR. D. ORCHARD: Fifty.

A MEMBER: Fifteen.

MR. D. ORCHARD: Four hundred and fifteen. It's a memorable figure. Mr. Chairman, that figure, if the Minister of Health has his way, will certainly increase.

Now, I will await this Minister's announcement hopefully in the House so that we can respond to it

when he makes it as to how they're going to handle the additional funding that's required.

But, Mr. Chairman, that's only part of the coin in the health care facilities because, as we are well aware in the Department of Health and throughout government, there is a Manitoba Government Employees' contract that expires, I believe, the 1st of September. That is to be negotiated and the raise, if any, that they're to get is yet to be added to the Estimates of the department.

I would suggest to you, Mr. Chairman, that has been standard procedure that other contracts in the health care facility that likewise will be in negotiation this fiscal year will follow the MGEA settlement, and there will be additional costs to those health care facilities from wage settlements yet to be announced.

The Minister of Health indicated - and the Minister of Finance can now correct him if he wishes - but the Minister of Health indicated to us in Health Estimates that no allocation for the new MGEA contract or any negotiated contract was made in the provision of his Estimates. I believe that was correct.

MR. H. ENNS: I can remember the years when the Department of Finance anticipated these increases and included them. I can remember them.

MR. D. ORCHARD: Well, Mr. Chairman, my colleague from Lakeside reminds us that, in his recollection, Finance Ministers in the past have anticipated a portion of that and included it in the Budget so that the deficit showed it. But in that case, that sort of prudent financial planning doesn't exist with this Minister of Finance, and I don't blame him personally because, after all, he inherited a mess from one of the most incompetent Finance Ministers this province has ever seen.

A MEMBER: You're not talking about Vic.

MR. D. ORCHARD: My friend, the Member for Rossmere, whose father and father-in-law live in my constituency and I provide them gallery tickets for the opening of the Legislature upon occasion because they can't get them from his son and son-in-law.

Mr. Chairman, I don't necessarily fault this Minister for the mess he has to try to clean up, given to him by the Member for Rossmere during his four-year stint as Finance Minister. But, Mr. Chairman, this \$415 million deficit that is constantly on this Minister of Finance's mind is, in all likelihood, due to rise and rise rather significantly because of the issues I've talked to him about or those health care facilities are going to find within the granted budget monies to cover not only tax increases but also wage increases. Then, Mr. Chairman, we will have at some point in time not just 48 bed closures as I mentioned at Victoria and other hospitals. There will be much more substantial bed closures.

I suggest to you, Mr. Chairman, that if the Minister of Health will get his way, there will be additional funds granted. If that happens in health care, and certainly it's going to happen in education for grants to all of the school divisions, to the universities, to the community colleges, and this Minister's deficit that he has pegged at \$415 million despite pillaging the

taxpayers for another \$369 million of new taxes, despite that kind of a pillage of the pocketbook, his deficit will go up when he funds adequately the hospitals and health care facilities.

I reiterate to the Minister, he earlier tried to say that I was suggesting that they need more money, his Minister of Health and his colleague in the Cabinet said they need more money and he's going to Treasury Board to get it. So let the Minister not think that this is not an issue that has to be dealt with in the Department of Finance Estimates, because it is the very essence of the Finance Department we're talking about, and how well they are funding the various departments and the facilities funded by those departments like the Department of Health, like the Department of Education.

HON. E. KOSTYRA: Before I respond to the questions, I just want to put something on the record, because I'm a bit uneasy with some of the areas that the member is going into.

I'm on leave of absence from a job with the Canadian Public Employees, which I've declared under our conflict of interest rules. I'm on leave of absence without pay or benefits. It could be interpreted that, if I deal with matters directly impacting members of that union, I could be in a conflict of interest. I have abstained from any discussions internally on any areas regarding salaries paid directly to those people. So if he's asking questions with regard to those contracts in the health care field, I'm not in a position to respond to them based on my interpretation of the act as it presently exists. So I just want that - he started into that area and then moved away from it. So if he's asking some specific questions, I have to declare that I should not respond to them.

In regard to the area of salary increases for Provincial Government employees, the member is correct. The contract does terminate on September 1, and obviously we'll be into renegotiations at some point prior to that period and indeed maybe beyond that period. We have not put specific revisions in the Budget for any increase. Obviously, we'll be taking a bargaining position to have an increase as low as possible, if any.

I also would remind the member that it is for a portion of the year, in any case, so it's not that we'd be dealing with the full year. So if one was to take a 1 percent increase, let's say, across the board, it would only be a portion of that because it's only for part of the year. So it would be significantly less than 1 percent of the payroll cost, if indeed that was the settlement.

So the impact will I think be reasonably small, provided we're able to negotiate successfully, and I think we'll deal with that at that point. I think it would not be wise to budget an amount for that increase prior to it being implemented.

I would remind the member and indeed the Member for Lakeside who raised the contingencies, and he says remember the days when we used to do that. I don't know if he's recalling the days in - he's had the opportunity, unlike most other members there, to be through a number of governments. He might be referring to the period of '77 to '81 or indeed referring to a period previously back.

But I know from my review of the records that: 1) we were in a period of high inflation, when it was

anticipated that there'd be year-over-year increases, in some cases double digit. But there was a nominal amount put into the Estimates. Usually it was a matter of a few percent, because they knew I'm sure at that time that, by putting in say 3 or 4 percent of payroll, that would impact the bargaining because everyone knew that settlements would probably be beyond 10 percent.

But obviously, since we're in an era of settlements now that are in the very low percentages - we're talking of anywhere from zero to 4 percent or 5 percent - if we were to put in a specific amount, then that might well make it a target for those who are involved in the other side of bargaining or maybe not even a target but a minimum starting point, given that, well that's there and we can negotiate beyond. So I don't think that would be fiscally responsible to do that, adding to that the fact that it's only for part of the year.

Also, just to anticipate probably his next question, the other area that is not specifically budgeted but has the same kind of impact is the pay equity provisions that will also be implemented later this year. Again, that will be a relatively small amount because of the agreement that it is limited, and the law limits it to 1 percent. Again that's for only part of the year, so it would be a relatively small amount. It would either have to be absorbed within the system or, if it isn't or if all of it is not absorbed, some portion of that or all of it may have to find its way into a Supplementary Supply request or a Special Warrant if the House is not sitting.

MR. CHAIRMAN: The Member for St. Norbert.

MR. G. MERCIER: Mr. Chairman, I'm intrigued by the Minister's statement that he will abstain from any matters that affect CUPE. CUPE, as I understand it, has some 16,000 members in the Province of Manitoba, a large number of whom I guess are employed by the City of Winnipeg. This government has passed labour relations acts that obviously affect CUPE as a union.

I wonder if he can be more explicit in indicating to us what matters he has abstained from or intends to abstain from. Does he, for example, abstain from any decisions relating to the amount of the grant to the City of Winnipeg because obviously CUPE, forming a large union in the City of Winnipeg, would be affected by the amount of money available to them.

Does he abstain from those decisions? Does he intend to abstain from the bill to amend The Labour Relations Act?

HON. E. KOSTYRA: The advice that I've been given by counsel is that, if there are any direct funding decisions, i.e., if we're discussing funding that will result in wage increases for members who work at a hospital, let's say, and that specific decision that "direct" funding is involved, then it could be perceived that I may be in a conflict-of-interest situation.

I was further advised by counsel that if it's a broad issue, an impact on a whole range of groups, then that is not a concern, or if it's broad-funding arrangements, that is not an area that may be deemed or could be perceived as being in conflict of the act.

MR. G. MERCIER: More specifically then, Mr. Chairman, does the Minister intend to abstain from voting on the proposed amendments to The Labour Relations Act?

Thursday, 18 June, 1987

HON. E. KOSTYRA: Well, again, I don't know. It's kind of an odd question to be asking here, but that is not an area that would be a direct interest, as I'm advised by counsel.

MR. G. MERCIER: Mr. Chairman, on another matter, could the Minister indicate whether the Fourth Quarterly Report or the end of the year report is available?

HON. E. KOSTYRA: No, it isn't available yet. It's usually available, as I recall the dates, sometime during July. There has been a range from the beginning of July to even into August, as I last recall, looking at the dates of various times, but it's some weeks away from finalization.

MR. G. MERCIER: Mr. Chairman, the Estimates under this item indicate that there's a transfer of another staff year to the Minister's office from the Comptroller's office.

Could the Minister indicate what the salary is of that person, what his or her position and duties are?

HON. E. KOSTYRA: That position is vacant and is not being filled at the present time, and it is not anticipated to be filled.

MR. G. MERCIER: When did the transfer take place, and what are the supposed duties of this person?

HON. E. KOSTYRA: That position was to fulfill functions of working with me as Minister of Finance and Chairperson of Treasury Board as a special adviser. At the time of developing the Estimates, it was felt there was a need for additional assistance. Since that time, I've found that there isn't a need to fill that position, so it's been left vacant and not been filled.

MR. G. MERCIER: Is the Minister saying that position will not be filled this year?

HON. E. KOSTYRA: I don't anticipate that it will be filled during this current year.

MR. CHAIRMAN: The Member for Pembina.

MR. D. ORCHARD: Mr. Chairman, I can sort of understand where, a few months ago, the Minister may well have wanted to have an additional person in his office to help him with his duties as Finance Minister, because his Deputy Minister has been seconded to so many of the government fiascos that he probably isn't around to look after the Finance Department, in Saudia Arabia and Lord knows where, cleaning up the messes from the Member for St. James and other stars in the Cabinet.

Mr. Chairman, can I ask the Minister, during the Health Estimates again, we discussed briefly one evening the amalgamation of the Health Services Commission with the Department of Health. If my recollection is correct on that discussion with the Minister of Health, there were to be no financial implications, i.e., this amalgamation was not going to cost us any money. As a matter of fact, the indication from the Minister was that this amalgamation may well eliminate duplication,

something I've been talking about with the Minister of Health for three sets of Estimates now. Certainly the Decter Report did not indicate that there would be any increased funding necessary for this amalgamation.

Could the Minister indicate whether a proposal on the amalgamation - since the Minister in answering in question period has indicated that it's under active pursuit right now to make this amalgamation. As Chairman of the Treasury Board, Mr. Chairman, is there a proposal from the Department of Health on the amalgamation currently before Treasury Board, and does that proposal request additional monies?

MR. CHAIRMAN: Order please.

Questions about Treasury Board may be more appropriate under Item No. 7.

HON. E. KOSTYRA: There was agreement that there could be some far-ranging questionings through all areas of the department, so that was agreed to previously to help facilitate the work of this committee.

The area that the member requests information on has been under discussion and is not finalized in terms of government decision making. I can't tell him whether or not it does or does not include additional funding. I don't know.

MR. D. ORCHARD: Mr. Chairman, I was temporarily distracted.

HON. E. KOSTYRA: The answer is, I don't know.

MR. D. ORCHARD: Mr. Chairman, the Minister doesn't know whether there would be increased monies required to make this amalgamation. My question to the Minister would be: Does his answer that he doesn't know indicate that he is having some difficulty as Treasury Board Chairman in approving a request for more money, which may be denied, or whether in fact the proposal put before Treasury Board by the Department of Health does not ask for more money? There are at least two subtly different scenarios there.

HON. E. KOSTYRA: The answer again is, I don't know. I don't have the details of that before me, and I'm not considering that at this point in time.

The member raised concern about my comments about the appropriateness of certain areas of discussion within the Department of Finance Estimates when the usual practice in this House, if people are looking for particular information about particular departments, they raise them with that particular department or obviously, if the opportunity of detailed Estimates review is not available, then there is another forum of question period. I don't believe that those kinds of items that are under discussion by the Cabinet committee have usually been answered by other Ministers.

But the simple answer to that one is, I don't know.

MR. D. ORCHARD: Mr. Chairman, I appreciate what the Minister's saying and he would be very, very correct in providing me that admonition if he was, for instance, the Minister of Industry, Trade and Technology simply sitting on the Treasury Board, not as the Chairman and Finance Minister, as he is. I have to apologize to him

Thursday, 18 June, 1987

in ranging these questions because there is no opportunity for asking, in terms of Treasury Board submissions, because we've finished with the Department of Health Estimates. They're done. And tradition would have it that, if I pose a direct question to the Minister of Health in question period, I won't get a direct answer, and that may be because the Minister of Health simply doesn't know or usually because he doesn't want to answer it which is normal for, if you'll pardon my bluntness, question period answers.

So that, Mr. Chairman, is why I have chosen to pose that question today to the Minister of Finance as Treasury Board Chairman. I'm reminded, Mr. Chairman, of those words of the Premier some 15 months ago after they won the election and he announced his new Cabinet, and he said that this member as Minister of Finance would not duck the questions. This Minister of Finance would answer the question, the clear implication being that the former Minister of Finance never answered any questions, which was true. So it's only at the behest and the endorsement of his Premier that I ask this Minister these direct questions, because

HON. E. KOSTYRA: There are very few times that you quote the Premier.

MR. D. ORCHARD: Well, Mr. Chairman, the Minister of Finance reminds me there are very few times I quote the Premier. Well there are very few times the Premier's quotable. That's simply not my problem; that's the Premier's problem. But in this case, he did indicate that this Minister of Finance would not duck the questions. Past experience will tell us that this Minister of Finance has been as forthright as he can be with those questions, and I will accept his answer that he does not know if there are dollar implications in the Treasury Board submission from the Department of Health. I'll accept that, and I'll pose the question at his behest to the Minister of Health in question period and see how it's answered.

HON. E. KOSTYRA: Mr. Chairman, just a couple of comments I would not allow stand on the record naked like that.

There is certainly no question that this government, whether it's in this term or the previous term, whether it is this Finance Minister or the previous Finance Minister, has been very open about matters related to government activities. If one looks at the record from 1981 until this date, if you look at it in terms of the added areas where we provided additional information to members of the Legislature in terms of reporting, in terms of details like the Estimates Supplement that we're dealing with here, all the parties now have detailed information that was brought forward to members, whether it's things like annual reports that are provided now for all departments - we had some discussion or debate along that line in question period today - whether it's information with regard to revenues which I indicated in my opening statement that for the first time in the history of this Legislature, we're going to be providing a full report at the beginning of next month, as soon as it's finalized, detailed information on all revenue items

in one package for members - things that have not previously been done where this government is breaking new ground in providing that information for members of the Legislature and indeed members of the public who are interested.

Again, he took the comments of the Premier slightly out of context where he had suggested or juxtaposed them with his own views about the previous Minister of Finance. I believe the Premier's comments may have related to me and also would relate to the previous Minister of Finance.

MR. D. ORCHARD: Mr. Chairman, I don't want to get into a massive argument with this kindly Minister of Finance that we now have. But, Mr. Chairman, I can't allow, in the words of the Minister of Finance - how did he word those rather wrong remarks? However he worded, I wish I would have written down his words because they were very eloquent words, but I can't allow his last remarks . . .

A MEMBER: Allow them to stand naked on the record.

MR. D. ORCHARD: Ah, wouldn't allow those comments to stand naked on the record. And I can't allow the Minister of Finance's comments to stand naked on the record about a very open government.

This is the same government, and this predecessor of Minister of Finance that he has attempted to speak so glowingly of, that the Premier did not speak glowingly of, is the Minister of Finance who withheld from the people of Manitoba the quarterly report to show the deficit skyrocketing prior to the last election. That's the open informative government he's talking about and the open informative, former Finance Minister - failed former Finance Minister. The people of Manitoba did not have a Third Quarterly Report when they went to vote to determine how well this government was spending money because the Minister of Finance, his predecessor, withheld it from the people of Manitoba knowing it would be damaging to them in their election.

Now similarly - we've been through it many times before - the fired Manitoba Telephone System Minister withheld from the people of Manitoba the Manitoba Telephone System report prior to the election because it exposed potential losses in Saudi Arabia, losses that I had been trying to get him to admit to in his two previous incompetent years as the Minister responsible.

The Minister of Manitoba Public Insurance Corporation, in 1984, discussed with board members how to hide a \$24 million reinsurance loss because an election was coming.

We have internal audit reports that today will not be released to us by the Minister responsible for the Workers Compensation Board, some of them going back to 1983, another one in 1985, which identified not \$85 million of losses, but \$185 million of losses also prior to the last election.

We were told, as my colleague, the Member for St. Norbert, indicated in his grievance, that the year-end for Manfor was added to another three months not to provide any particular clarity of information, but simply to hide that loss of \$30 million from the people of Manitoba prior to the last election.

Now already, I think I've racked up \$500 million worth of hidden figures by this NDP Government prior to the

last election, and I can't allow to stand naked on the record comments by the Minister of Finance that they have been an open government, free with information, factual to the people of Manitoba and honest with this Legislative Assembly because that simply didn't exist.

My friend, the Member for Dauphin, got caught with his pants down today. That's an interesting circumstance for him, mind you. But Mr. Chairman, the Highways Minister was questioned on two different days about a Mulligan Report on the effectiveness of seat belts. He said, well, you know, I really don't know whether I can talk about this because it hasn't been - and I'll paraphrase the meaning of his words - we haven't altered the report yet, so I don't know whether I can talk to it.

But meanwhile, we have in our possession, while we're questioning this incompetent Minister of Highways, a report from his office under his signature, distributed to the members of the NDP caucus, saying you know I don't think we can release the Mulligan Report because it's too damaging to the cause of mandatory seat belt use. They're not safe, they cause deaths and, besides that, we may get sued as a province for people who get killed because they wore their seat belts.

You know, an obvious question to this Minister of Finance when we get an opportunity is, recall the accident in the North End of Winnipeg where the individual was driving his car, was in collision with a semi-trailer, went underneath the semi-trailer, saw the accident was going to happen, wasn't wearing his seat belt, dove to the passenger side of the car, and escaped sure death because the wheels of the truck ended up on the driver's seat. Had he been strapped in, he was dead; that's what the police said.

Now I wonder if that individual was ticketed for not wearing his seat belt. It would be an interesting question. He surely would have been a statistic and his family could have sued this government. But, Mr. Chairman, I'm diverging from the Minister of Highways who got caught with his pants down today.

Mr. Chairman, the Minister of Finance said that this is a most open government, a most honest government with providing information and factual presentations. Well, he should have been at the Telephone System Committee this morning if he wanted to see how factual the information was. It is confused, not understood, not detailed, and they're going back once again to get us more information. I hope it doesn't take your Minister or your Deputy Minister away to Saudi Arabia again because you need him.

But, Mr. Chairman, this government clearly has not done, as the Minister of Finance just said, i.e., been open and prompt and honest with the presentation of losses not only in Crown corporations, but indeed his predecessor, the Minister of Finance, the Member for Rossmere, held back a quarterly report so the people of Manitoba would not know the size of the deficit prior to marking their ballots in the 1986 provincial election.

MR. CHAIRMAN: The Member for Lakeside.

MR. H. ENNS: Mr. Chairman, dealing with another area of this government's commitment to some very substantial financing - and I'm talking about the financing of the Limestone Generating Power Station

currently being built - the area that I want to talk about briefly, to take advantage of this moment that I have with the Minister, is at the time a premature decision was made to advance the construction of Limestone by several years. A considerable amount of concern was being expressed not just by the members of the Opposition, but also by other concerned experts about the financing costs of that major project, at that time estimated to be in the \$3 billion range. We're thankful that, with respect to the drop in inflation, the drop in interest and the many other factors that have contributed to a considerable decrease in that earlier estimate of the cost of Limestone, but the matter that I raised was there was the subject of potentially using a different type of financing than the province has used heretofore on that particular project. It was raised.

I believe it was called "Project Financing," that the Limestone Station might stand on its own merit and outside investors could be found, non-governmental investors could be found to finance the costs related to the construction of the Limestone Power Generating Station.

Mr. Chairman, of late, I have heard very little about that. My direct question to the Minister of Finance is whether or not any consideration is still being given to looking for project financing for this very substantial project that's under way. I appreciate that we are into the heavy spending right now. I also appreciate the fact that this is a matter that relates to another colleague of his, the Minister responsible for Manitoba Hydro, but my understanding is that Manitoba Hydro is coming to the Department of Finance, to the province, to arrange the financing for Manitoba Hydro.

We pass an annual heavy borrowing bill, a Capital borrowing bill, to facilitate Hydro financing, whether or not the project financing is still being considered as an alternative to the financing of the Limestone Project.

HON. E. KOSTYRA: Yes, the area of Non-Recourse Project Financing was reviewed jointly by Manitoba Hydro and the Department of Finance officials. We also engaged outside assistance from commercial bankers and our underwriters to assist us in that review. The decision with respect to the Limestone Project is not to utilize that type of financing arrangement.

It was found that, on balance, the benefits and the costs were such that it was not something we would follow with respect to this project. That's not to say that it ought not to be reviewed at a future time with some other project but, for Limestone, the decision was made to follow the traditional method of financing that the government has been following for a number of years.

MR. H. ENNS: Mr. Chairman, I appreciate that the Minister of Finance and the Minister responsible for Manitoba Hydro may approach this from a different point of view. I'd be interested in knowing, when the Minister says that upon that review that the Minister just alluded to, it was found not to be particularly advantageous to pursue project financing in this instance.

Who was it not particularly advantageous to? To Manitoba Hydro? Or to the Manitoba Government and the Minister of Finance in his overall concern about

the financial situation of the province? Mr. Chairman, I can see where, for instance, a Minister of Finance, indeed a province that is reaching and stretching to the outer limits of our credit capabilities, that the prospect of financing with outside money, a major project like this, might have some attraction for the Department of Finance.

On the other hand, Manitoba Hydro and its officials will look at it more closely from their point of interest and what is most attractive to them. At the time that project financing was raised, it was raised in a manner that would suggest to those of us, particularly those of us who were somewhat critical of the advancement of the building of Limestone. I want to put that clearly on the record. I personally, as Energy critic, have never been critical of the building of Limestone. I have seriously questioned the costs related to the advancement on it. Even at the costs that we are now talking about, \$2 billion to build that project at average rates of 10 percent interest, that's a \$200 million interest charge. If you advance that kind of a construction by one year, you're looking at \$200 million; two years, it's \$400 million.

I would be interested to hear from the Minister of Finance whether or not he shares any of those concerns, or whether or not he is telling me that outside financing could not be found, could not be arranged, under terms suitable to both government and Manitoba Hydro.

HON. E. KOSTYRA: I just wanted to deal with one of the assumptions that the member made in his comments, then answer the specific question. He made an assumption that the province is in such terrible shape vis-a-vis its debt and, gratuitously or interestingly enough, I received some information in the mail today that shows the relative position of Manitoba with respect to its debt position, and that's a publication of the Investment Dealers' Association of Canada with respect to all governments' debts in Canada. And it shows that in terms of the actual dollars, it shows the Budget deficits in actual dollars. It shows the Budget deficits as a percentage of GDP.

It's interesting that Manitoba is doing relatively well in both those areas when you look at the range right across Canada. So somehow to suggest that Manitoba is in such dire straits, either in actual deficit or in direct debt, is simply not true.

As an example, in the area of debt, we're some 20 percent of GDP and if you look at other provinces, most of them are beyond that range, some ranging as high as 42 percent. The same is true if you look at this same area as a percentage or if you look at Budget deficits as a percentage of GDP, you find that Manitoba also ranks quite well and certainly below the average for all of Canada; not as I see it but as the Investment Dealers' of Canada says in their recent update that arrived, as I say, gratuitously in my mail today at the start of my Finance Estimates.

The member asked whether or not there were different concerns from the Department of Finance or from myself as Finance Minister, as against from the Minister responsible for Manitoba Hydro. I can say that the review was done jointly. The decision with respect to provincial financing on behalf of Crown corporations rests, as the member is aware, with the Minister of

Finance. The ultimate decision is through the Department of Finance and the Minister of Finance. But I can say that it was a joint decision and both officials of Hydro and the Department of Finance made the recommendation that we should not proceed with that type of financing vehicle, rather the regular financing.

MR. H. ENNS: Mr. Chairman, I appreciate and I don't particularly fault the Minister for taking comfort in the figures that he read into the record with respect to what outside financial observers have to say with respect to Manitoba's position generally in terms of our debt percentage borrowing against GNP and so forth. He's made the remark, Mr. Chairman, that really is small comfort. I suppose what it really says is how sick we all are in Canada in terms of our financial position and what it means to the country at large in terms of our capability to keep this nation, fiscally speaking, in shape and what it holds out for us - indeed the kinds of challenges that we have to face if we are to meet the kind of competition that is sharpening around the globe, the kind of trade talks that we are involved in with our major trading partner, the kind of pressures that we are under from Pacific rim countries, that are, in many instances, out-performing our economy and, in many instances, are more prudently managing their finances. But I understand the Minister's leaning on that crutch that, when you're in trouble, it's always some comfort to look around and see other people who are in trouble or other provinces in trouble. I won't dispute those figures.

Mr. Chairman, just a little factual question dealing again with the question of Limestone financing. I have used the figure of the rate of expenditures that is currently going on and, at this time, I would take this opportunity, if staff has some idea of verifying my understanding, that we are now getting into the very heavy flow of building costs at Limestone to the rate of some \$70 million a month. Is there any way that anybody in the Department of Finance can substantiate that or would that information only be available through Hydro sources?

HON. E. KOSTYRA: I can't verify the, say, \$70 million or \$90 million a month. The amount of money that is required for Manitoba Hydro this year, which we have to provide the funds for, is \$391.2 million. It's on page B 7 of my Budget document. As I understand, about \$350 million of that relates to Limestone. The other \$41 million would be related to other activities of Manitoba Hydro, other capital requirements.

MR. H. ENNS: Mr. Chairman, to conclude this subject matter, I take it from the Minister's response that project financing has not been totally removed from their thinking. I remind the Minister - although again it's not particularly directed at himself as much as it is to Manitoba Hydro officials and the Minister responsible for Manitoba Hydro, who used the spectre of project financing in a very optimistic way. The suggestion was that my doors would be beaten down with willing investors to help us with financing of that major construction project. All we had to was arrange it. That appears not to be the case or indeed at least not

acceptable to our terms and our conditions. I know that the department may well be faced with further additional substantial requirements for money, should decisions proceed with development of further dams such as Conawapa in the not too distant future.

I simply suggest to the Minister of Finance and to the Department of Finance, I don't wish these comments to be taken out of context or read in the way that I object to outside financing. Quite frankly, if it assists the government, if it assists the provincial debt load to arrange an appropriate, suitable source of outside money, dedicated and associated with one specific part that could be clearly identified as such in our accounting, I see some merit, and I certainly wouldn't want my comments to be misread in any other way. I think my colleague, the Member for Charleswood, may have some questions with respect to Lotteries funding.

HON. E. KOSTYRA: I just wanted to respond very quickly to one point because I didn't want that to be left on record, and I understand the context of the member's comments. We have rejected it for this particular issue and it will be revisited, just the same way as we look for always the best, the most efficient and the most secure way of raising the necessary funds for projects in the Province of Manitoba, looking at the bottom line, that being the cost to the Treasury or the cost to the Crown corporations of those borrowings.

The one point I do want to raise is that there was a lot of interest by the financial community in it. That wasn't the reason for the rejection, there were a lot of responses to the call. Many institutions were interested in it. The decision was based on the bottom line of that, that it would cost somewhat more than the traditional way and that wasn't in the best interest of the province and Manitoba Hydro.

MR. CHAIRMAN: The Member for St. Vital.

MR. J. WALDING: Thank you, Mr. Chairman.

Just about a year ago, when the Minister's Estimates were before the House, I had asked him a question about the Scientific Research Tax Credit and I believe other members had also asked similar questions. It had to do mostly with the costs of this particular program as far as the Federal Government was concerned, particularly as far as the Provincial Government was concerned, how much had Manitoba lost or what had been the costs due to this particular tax measure. Now the Minister didn't have that information at the time and he said that he would release the information as it became available. I'm not sure whether it was in fact made available, but I didn't get any information on it.

I'd like to ask the Minister whether he in fact gave that information to the House and, if not, is the information available at this time?

HON. E. KOSTYRA: No, I did not provide that information to the House. No, the information is not available. We have asked the Federal Government for that type of information and, to date, it has not been provided. I don't know whether or not that's because it's not available, or whether or not there are other reasons why it's not provided.

MR. J. WALDING: Is there any indication of when that information might be made available to the province, if presumably it will be?

HON. E. KOSTYRA: Mr. Chairman, I don't know the answer to that question. I'll just really have to take it as notice at this point and, further on in the Estimates when we have the staff that deal on a regular basis with the Federal Government on that area, which is basically under federal-provincial, we might be able to have some idea of time frame, but I'm afraid I don't have that information at this time.

MR. CHAIRMAN: 1.(b)(1) - the Member for St. Vital.

MR. J. WALDING: Mr. Chairman, I really hadn't quite finished. I wanted to ask the Minister about a different topic, and that has to do with the property tax bills which have been going out over the last few months. There is a provision in there, at least to the Winnipeg homeowners, of a \$175 rebate to property taxes to people who are 55 to 65 or at least 55 and over, to be more accurate. There has been just recently a program change in that regard. Can the Minister tell me what that program change is?

HON. E. KOSTYRA: I'm afraid again, the best area for asking that detailed question would be under Federal-Provincial. But if I can try generally to answer the question if the member would allow for a more detailed answer when we get to that particular line, the program change was to bring that provision in line with the general change that was made with respect to 55-Plus in the Old Age Supplement through the Department of Employment Services, which was brought in last year.

I indicated at Budget time last year, that we would bring about a corresponding change in the funds that are available through the Property Tax Credit for senior citizens that normally you can define as those over the age of 65 or those who are in receipt of a pension if they were under the age of 65.

So the change that was made basically was to allow people between the ages of 55 and 65 to receive the credit, subject to other considerations or other determinations that are in place with respect to that assistance over the age 65. The major change was that they did not have to be in receipt of a pension income, which was the case previously.

MR. J. WALDING: I thank the Minister for that information.

Is this the first year that program change comes into effect? Secondly, is the change in the amount that is paid out paid on the basis of a means test?

HON. E. KOSTYRA: The details I just moved into - I found some details. The detail of that is provided in the Budget documents on page C 34, which indicates some information with regard to that program change.

I'll also endeavour to provide the detailed information piece that was made available on that. I'm just searching for it. Yes, also on page D 12 of the Budget document, there's additional information on that. I'm just looking to answer the specific question. Okay, here it is.

Eligibility is for family incomes of less than \$15,000 receive full benefits; those in excess of \$15,000 have assistance reduced by 2 percent of income in excess of \$15,000; and benefits are not payable beyond \$23,750.00. That's for people between the ages of 55 and 65.

There are also transition measures for those who had already received assistance between those age groups, 55 to 64. Those were the ones who were receiving pensions previously. There has been no change for senior citizens beyond the age of 65. That was on page D 12 of the budget.

MR. J. WALDING: I'm wondering, first of all, is this the first year that it comes into effect? I presume it is since it was mentioned in the Budget.

Secondly, the Minister wasn't too clear on the basis of the means test and, if it is such a thing that there is a limit involved, how much does the department expect to save this year over last year as a result of this change?

HON. E. KOSTYRA: Yes, this is the first year it's in effect. We will save no money. It will cost us an additional \$2.6 million because this is an enhancement of a program; it's not a decrease. It's an enhancement to allow for benefits for those between the ages of 55 and 64 who previously were not eligible for those kinds of benefits. So the anticipated additional cost to the government is \$2.6 million.

MR. J. WALDING: Mr. Chairman, I'm rather surprised to hear that this is an enhancement of a program but the question about the program arises because of a phone call I received a couple of days ago from a constituent who had received the full \$175 rebate off his taxes last year. He is in fact over the age of 55, receiving a pension, and he did get the money last year.

He received a letter a few days ago from the Minister, or at least over the Minister's signature, stating that there was a program change and, because there were these limits, he would no longer be receiving his \$175.00. Now I'm sure he is not the only one in that particular case. He's the only one at least from my constituency who has contacted me so far on this but, if there is to be less money paid out for him, doesn't the same thing apply for at least a number of other people? So there would seem that there is an amount that the province is saving in that particular regard.

He raised the interesting point with me that the NDP has always been opposed to means tests, and that goes back for a long time, that members of this party have spoken out very strongly against means tests. He is saying that this is an introduction of a means test; they are wanting to know what his particular income is.

But he also made the point, which was rather interesting, that this amount that he does not have to pay on his provincial taxes comes in at the age of 55 and, when he gets to the age of 65, the amount is paid out without a means test, but his other income doesn't go down. He receives the old age pension on top of it. So, if he is not getting enough or if he is getting too much to receive the \$175 at the moment, when he gets to 65, he'll still be receiving the same amount of pension, plus he will be getting this \$175, plus he will be getting the CPP, plus he will be getting the old age pension. So, it really doesn't make any sense to him to have this amount deducted from his income at a time when he is most in need of it.

I wonder if the Minister would like to address that area of policy.

HON. E. KOSTYRA: Yes, I would be pleased to.

First of all, I'll repeat that this was a program enhancement. Previously the benefit that this one constituent of the member received was not available to the majority of people in the ages of 55-64. That particular constituent was in a privileged position that wasn't available to most other people in that age bracket, because there was a requirement that people would only receive that if they received pensions. So the program was brought in to include other people in that age bracket to assist them with high costs of property taxes.

So, that is why the costs have increased for this program, because there are many more people in the age bracket, 55-64, who are eligible. I would only say to the member, I guess, that those who are getting the increased benefit are not the ones who are calling and indicating that they are receiving that, because those numbers are significant in terms of the amount of people that will be receiving it.

In terms of the general policy question, I can't provide any detailed response as to why that particular policy was put in place. Generally, with respect to a portion of the property tax credits, as the member is aware, part of the property tax credit is an outright credit to everyone, regardless of income level, and a secondary portion of it - and I'm talking generally of the provisions that are made available to everyone - are based on an income test. That was not put in during our government's time in office, but was put in during the time when the NDP or the Schreyer Government was in office during the 1970's.

MR. J. WALDING: Mr. Chairman, I'm not sure that the Minister has addressed the whole principle involved here. I don't argue with the fact that other people have received money that they were not in receipt of before. What the Minister is telling me is that, in some particular cases, there is a lesser amount being received by some people, at the same time that others are having their income enhanced.

It rather goes against the grain to bring in a program that will help some people at some time and then to reduce it at the same time that a large number of other people are being brought in. The point being, though - and the Minister hasn't addressed this - that the program of which he speaks applies from the age of 55 to 64 with a means test.

After the age of 65, there is no means test and all would receive it, plus the old age pension and CPP, if they are so available, and whatever other benefits apply to 65-year-old people.

So what we have here is the need of people in that 55-64 age bracket is not less than when they're 65. If anything, it is more so. But when they reach 65, then it will be enhanced by income from other areas. So surely, that would be the time to reduce it, if it were to be reduced, at 65 rather than at 55.

That is the point that I'm making with the Minister and that I would ask him to address.

HON. E. KOSTYRA: What the member is failing to recognize is that this program is now universal for

everyone who is in the age bracket of 55-64. It is an additional amount of money that is available to assist in the costs of municipal school taxation, beyond the base which is in place for everyone right now, regardless of age, beyond which is in place, which is available on an income test that was first put in during the 1970's, for everyone over and above the basic \$325 available, regardless of income.

Previously, this program was only available for those who had pension income. Now it is available for anyone, regardless of income source, between the ages of 55-64 with an income provision and income phase-out.

And again, I repeat that anyone who earns less than \$15,000 will get a full benefit, the full \$175.00. Anyone between \$15,000 and \$23,000 will have a partial benefit phased out at the rate of 2 percent of income in excess of \$15,000.00.

What we did put in place, because of the transitional nature of going from a limited program that was only available to a small number of people in that age bracket to a universal program with an income eligibility, was to put in some transition mechanisms. What those transition mechanisms are is that, if anyone who's got an income level of less than \$23,000 moves onto the new program, they will not have the phase-out. They will receive full benefits of the \$175 up to the income level of \$23,000 where others in that same position would receive a transition or a phase-down.

I would also just remind the member that, in terms of pension income, the average pension income of people on pension in our province, on average, is \$17,000.00. So this program was put in place to expand the benefits that are available for those who are over the age of 65 and those between the ages of 55-64 to ensure that they get additional assistance.

As I indicated, it will cost an additional \$2.6 million to provide that assistance, but it is available for everyone in that income group. So it may be that people who are working will also be eligible for this benefit if they are below that income threshold. It's not based on whether or not they're retired or on pension. It's based simply on the age and the income bracket that individual would be in.

I can only gather, because the member is not providing the details, that this particular individual must have income beyond \$23,750 to have his benefit reduced. Otherwise, he would still receive the same benefit he received last year.

MR. J. WALDING: Just one further question as it's almost five o'clock, Mr. Chairman.

I'm just wondering that, since this particular program is paid out at the age of 55, I wonder if the Minister is proposing to abolish it once the new Human Rights Act comes into play, which says that there shall be no discrimination according to age.

HON. E. KOSTYRA: I don't believe that this kind of provision would do damage to either the present or the future of human rights legislation.

MR. CHAIRMAN: The Member for Charleswood.

MR. J. ERNST: Although there isn't a great deal of time left, Mr. Chairman, the voracious appetite of the

government to consume money has now, for the first time, directly dipped into Lotteries revenues in 1987.

In the past, they've utilized Lotteries funding by the back door, so to speak, in terms of salary expenditures and so on in the Department of Heritage, Cultural Affairs and in the Department of Sport under the Minister of Health.

But for the first time, Mr. Chairman, we see in the Budget the situation under, for instance, the Department of Sport where she's going to spend some \$4 million this year of Lotteries revenues. There isn't one thin dime in the Budget with respect to that department. But notwithstanding, Mr. Chairman, the government is spending some \$7 million, I believe, this year now in the Department of Health directly out of Lotteries revenues, up front where it should be.

Could the Minister advise what future anticipated Lotteries revenues are going to be used now or brought into general revenues in order to supplement the needs of the government, where we have the Minister responsible for Lotteries now looking at capping off all of the umbrella groups and other beneficiaries of Lotteries revenues up to this point in time, but have not been told, Mr. Chairman, what their ultimate limit is going to be?

Perhaps the Minister could comment on the present and future anticipated Lotteries revenues being taken into the general account.

HON. E. KOSTYRA: I'm afraid I don't have a crystal ball here, so I can't give a detailed specific response to the member's question. Any matter regarding the use of Lotteries revenues or indeed other revenue-generating measures or ideas is something that we review and lay out our plans at Budget time. Quite honestly, we haven't got any specific plans at this point.

MR. CHAIRMAN: The hour being 5:00 p.m., it's time for Private Members' Hour.

Committee rise.

Call in the Speaker.

IN SESSION

The Committee of Supply considered certain resolutions, reported progress and asked leave to sit again.

MADAM SPEAKER: The Honourable Member for Burrows.

MR. C. SANTOS: Madam Speaker, I move, seconded by the Member for Lac du Bonnet, that the report of the committee be received.

MOTION presented and carried.

HON. A. MACKLING: Madam Speaker, I think there's a predisposition to observe the clock. It's reading six o'clock.

MADAM SPEAKER: Is it the will of the House to call it 6:00 p.m.? (Agreed)

The hour being 6:00 p.m. then, the House is now adjourned and stands adjourned until 10:00 a.m. tomorrow. (Friday)