

INDUSTRIAL RELATIONS COMMITTEE

8:00 p.m., Thursday, June 6, 1974

CHAIRMAN: Mr. Wally Johannson.

MR. CHAIRMAN: We now have a quorum and we can begin. The other day we exhausted the briefs on Bill 33, I believe. We'd better check. Is there anyone here who didn't give his name for the presentation of briefs on either Bill 33, The Power Engineers Act, or Bill 44, an Act to amend The Workmen's Compensation Act? Does anyone else wish to present a brief other than those who have already given in their names to the Chairman? Fine. We'll proceed then. Mr. Evan McCormick, the Chamber of Commerce.

MR. McCORMICK: Mr. Chairman, I think the Clerk has copies of the . . .

MR. PAULLEY: If I may, Mr. Chairman, Mr. Tallin, the Legislative Counsel, is in the process of distributing a few amendments to Bill No. 44 dealing with Workmen's Compensation, for the information of members of the Committee, that may or may not have some effect on the representations that are being made.

May I also, Mr. Chairman, in respect to Bill 33, indicate to the Committee that the staff is at present--when I say "the staff", the Legislative Counsel and the departmental officials in the Department of Labour are working at the present time on some suggested changes by way of amendment to Bill No. 33, which we will deal with after we've heard representations to Bill 44. I give this, Mr. Chairman, as information so that members of the Committee are knowledgeable of what at least the Minister of Labour is suggesting at this particular time.

MR. CHAIRMAN: Thank you, Mr. Paulley. Have the briefs and amendments been distributed? Fine. Will you begin, Mr. McCormick?

MR. McCORMICK: Mr. Chairman, on behalf of the Chamber we welcome this opportunity to comment on a number of sections of Bill 44. The first one on which we wish to make some comment is Section 15 - Section 15 of the bill, which amends I believe Section 25.1, which has to do with deaths. There's a significant change there in the new proposal, in the approach to determining a widow's pension. With the ceiling in earning proposed to be raised to \$10,000 the maximum pension would now be \$7,500 a year, or \$625.00 per month, not taxable. That same widow could also be entitled to a pension of about \$80.00 a month from the Canada Pension Plan. The two together would be very close and in some places even more than the take home pay of the man before the accident, and while we are not opposing the amount that is set, we are emphasizing the suggestion the Chamber has been making consistently that, in determining the amount of pension to be paid, the Board should be required to take into consideration benefits being provided from public funds through other agencies.

Now we realize that there are private pension plans, company pension plans. There are insurance provisions. We're not suggesting those be taken into consideration, but just all the income that comes from tax sources should be taken into consideration in determining that pension, and that the total should not be more than 75 percent of what the man had been earning. If I were facetious I would suggest that this might be encouraging murder so long as it occurred on the employer's premises, but there is that area, that we don't think there should be a bonus to the widow for her husband having had an accident. It's a tragic thing, I know, but we feel that those things should be taken into consideration in determining the pension.

Then Section 32, and I notice that it's the intention of the Minister to withdraw that section which we thought was unfair. I presume I don't need to argue about it now. I'm glad to see that the Minister has seen the light and we certainly support the withdrawal of that particular section.

Section 37, cost of increases in old compensation awards. We again assert what we've said several times, that the costs of these increases are unfairly charged to employers. They are the result of inflationary pressures and are social in nature, not industrial, and should be borne by society as a whole through the Consolidated Revenue Fund. This point has been recognized in several jurisdictions. Between 1967 and 1972 the Government of British Columbia provided about \$10 million to cover at least half of the cost of increasing those things. In Saskatchewan currently the government is providing six and a half million dollars of public funds out of a total of \$16,150,000 required to increase the old awards, and in 1972 this government, the Government here in Manitoba, provided a million dollars of public funds for the same purpose. At that time the Minister said in the Legislature - you will recognize the quotation I am sure - "We recognize a point raised by industry on a number of occasions,

(MR. McCORMICK cont'd). . .that the whole cost of past pensions or past accidents should not be charged to industries operating today. Government in its consideration felt that it would be reasonably fair to accept at least part of costs of the provision in respect of past pensions to injured workmen, their widows and their children, to the degree of a million dollars." And the reference is there.

The estimated cost of new benefits, including retroactive awards, is believed to be about \$10 million. It is grossly unfair to lay the full cost on employers and we urge the Government to continue its practice of paying a share of the increased costs from public funds.

If the Government refuses to share that cost, it should at least see that the costs of medical and hospital care in compensation cases are borne by the provincial universal scheme. Would you please delete the term "so-called". Those were deleted in review by my counsel and by accident they've carried into this from the first draft. In effect they are denying workers the care for which they have paid through taxation, and insisting that their compensation treatment be paid for all over again by employers. If the government refuses to have the universal scheme absorb the costs, then perhaps the employee should get a rebate of the share of the taxes he's already paid for that coverage.

That, Mr. Chairman, is our submission.

MR. CHAIRMAN: Thank you, Mr. McCormick. Any questions? Mr. Dillen.

MR. DILLEN: Yes, I have a question of Mr. McCormick. In the first part of your submission you make a note that - and I'll quote from it - "That same widow could also be entitled to a pension of about \$80.00 per month from the Canada Pension Plan."

MR. McCORMICK: Yes.

MR. DILLEN: Now in the Section 37, you say, "We again assert that these costs are unfairly charged to employers. They are the result of inflationary pressures and are social in nature, not industrial, and should be borne by society as a whole through the Consolidated Revenue Fund." On one portion of your submission you make the statement that the funds that are provided through the public purse should not be provided, and in the second statement you say that they should be provided. How do you justify?

MR. McCORMICK: You're confusing two things. In the first case we're suggesting that the ceiling on the pension should take into consideration the income from other government sources. Now when you get into this business of upgrading awards, the original introduction of Workmen's Compensation was to replace the necessity for an employee to sue his employer. This was originally the only way in which, if there was an accident, he could sue his employer. The employer had all sorts of resources and it took a long time to get an award, if he could get it. And so Workmen's Compensation came in, that an independent board would set the compensation and that would be paid. But if the previous condition had stayed, if we'd kept the corollary as a court case, if a decision had been made by the court ten years ago, no one would think of going to a court today and saying, "Please open that decision because the cost of living has gone up." What we're saying is that this adjudication by the Workmen's Compensation Board is the equivalent of a court decision. I'm not denying that the cost of living has gone up, that that pensioner needs assistance, but what I am suggesting is that you shouldn't go back and in effect reopen the old case and allocate new charges against that employer; you should realize that that cost is because of inflation and should be borne by society as a whole rather than being loaded on the employer. That's what we're saying in the second one.

MR. DILLEN: Well, if I could just follow that up a bit. It's always been my understanding that the premiums paid for Workmen's Compensation to the Compensation Board, to the compensation fund by the employer, was really an amount of money that would have been paid to the employee, so it's really part of his earnings that is being contributed. If there was no compensation fund, the employer through collective bargaining could gain more.

MR. McCORMICK: That's right. We're not objecting to the determination of an award by the Board, but what we suggest is that once that determination is made it should stand. If inflation increases the need of that pensioner for more money, that's not the employer's responsibility, that's society's as a whole.

MR. DILLEN: Surely the employer must accept some responsibility for the injury to begin with.

MR. McCORMICK: That employer may be out of business today.

MR. DILLEN: Well then. . .

MR. McCORMICK: Lots of employers that were doing business 20 years ago they're not around now, but you load it on today's employers.

MR. CHAIRMAN: Mr. Jenkins.

MR. JENKINS: Through you, Mr. Chairman to Mr. McCormick. In your first section of your brief here, where you state the same widow could be entitled to a pension of about \$80.00 a month from the Canada Pension Plan, are you not forgetting - and I'll ask through you - that the employee has paid half that, so actually. . .

MR. McCORMICK: Just a minute. This is a disability pension we're talking about.

MR. JENKINS: Well even so, the employee has paid half of it, so really all that had been paid by the employer would have been \$40.00 a month.

MR. McCORMICK: All right. Then take that into consideration.

MR. JENKINS: Or not so.

MR. McCORMICK: Well, what I am suggesting to the Board is the Board look at what's coming. I'm not suggesting how they determine, but that they be required to take a look at the money that is coming from tax sources.

MR. CHAIRMAN: Mr. Patterson.

MR. PATTERSON: Thank you, Mr. Chairman. Mr. McCormick, in the Chamber's brief you indicate to me that you consider the Canada Pension Plan to be public funds. Is that right?

MR. McCORMICK: It's administered publicly in the same way that the Workmen's Compensation is.

MR. PATTERSON: Yes but I just want to get your interpretation.

MR. McCORMICK: No, I wouldn't say they're public funds. Those are trust funds, I would suggest. Administered publicly but trust funds.

MR. PATTERSON: Yes. They're not public funds in the sense of public funds as we determine them.

MR. McCORMICK: That's right.

MR. PATTERSON: Then, in the same analysis, do you consider Workmen's Compensation benefits to be public funds?

MR. McCORMICK: No, they're trust funds administered by the Province; contributed by employers, held in trust by the Province, and administered by the Board in the name of the Province - and administered by them. There are no public funds go into Workmen's Compensation except for the contribution of a million dollars last year.

A MEMBER: For which I got hell.

MR. PATTERSON: Right. The criteria of compensation, though, Mr. McCormick, is not public funds.

MR. McCORMICK: No.

MR. PATTERSON: Right. I agree with you.

MR. CHAIRMAN: Mr. Doern.

MR. DOERN: Mr. McCormick, I just wonder - perhaps you have indicated this already - but of the additional awards, talking now a figure of \$10 million, could you indicate whether you think that the full cost should be borne by the Government, or just what percentage breakdown it is that you are requesting here?

MR. McCORMICK: Well the ten million dollars covers other things. I think we feel that any increase of tax benefits should be out of public funds, not out of the Workmen's Compensation.

MR. DOERN: A hundred percent though.

MR. McCORMICK: One hundred percent. We'd settle for less, Mr. Doern, but I think we feel that the principle should be that.

MR. DOERN: Well, other governments seem to be supplying you know, as much as 50 percent; you're arguing for 100 percent.

MR. McCORMICK: Yes, we'd like to see it. I don't think we'd ever--certainly at the immediate time we wouldn't. I would like to see at least recognition of the principle that it isn't all the employer's responsibility.

MR. DOERN: Well, would you go to the other side of the scale and say that the Government in inflationary times etc. etc., has the right to 100 percent of profits from corporations - to cover these and cover other costs?

MR. McCORMICK: I think you're talking about something completely different there.

MR. DOERN: You think that's unrelated.

MR. McCORMICK: I think so, yes.

MR. DOERN: But you do argue that 100 percent of the cost should be borne.

MR. McCORMICK: One hundred percent, yes, because . . .

MR. DOERN: You think there is no obligation on the part of industry.

MR. McCORMICK: I don't know how you can allocate it. Because if you go back to the principle of the court settlement, if there had been a court settlement ten years ago you couldn't go back to the court and say, "This victim of an accident needs help. Will you reopen the case and allocate some more money from the guilty party?" You can't do that. If that victim needed help, then out of public funds we would give help, and if the victim of an accident who got a pension award from Workmen's Compensation some years ago needs help, that help should come from the public purse, to which employers contribute too.

MR. CHAIRMAN: Mr. Bilton.

MR. BILTON: Mr. Chairman, I have mentioned this in past years, this matter that we're discussing now, that is to do with the contribution by the employee to the Workmen's Compensation Fund. I see that too, probably giving them better service than they've had before and when you think of the universal setup, the Canada Pension Plan, the employer pays a portion and the employee pays a portion. Unemployment Insurance the employer pays a portion the employee pays a portion - and so on. It would seem to me, and there are more knowledgeable people than myself on this particular subject, but it would seem to me that this is the only scheme of things - which is a wonder scheme of things - it's the only scheme of things where the employer has to carry the whole load. I was in the position of an employer and when the increases came through there was no question, as far as I was concerned anyway; it was wonderful insurance to have. But the thing that amazes me is that matter to do with the hospitalization, that the Workmen's Compensation Board are picking up the tab for the hospitalization of the individual, and here again as has been outlined, that . . .

MR. CHAIRMAN: Mr. Bilton, have you got a question?

MR. BILTON: Well, I'm coming to the question, Mr. Chairman, if you don't mind.

MR. CHAIRMAN: Committee rules, you know, Mr. Bilton, provide for . . .

MR. BILTON: I know the rules but you didn't object to the other members of the Committee giving an opinion and I wonder why you're objecting to me. I'll be as brief as I can from here in. I don't wish to delay the Committee at all, but I think the submission that's being put before us tonight, I think the government might take the suggestions quite seriously and give some thought to the matter.

MR. CHAIRMAN: Mr. Paulley.

MR. PAULLEY: Well, Mr. Chairman, first of all I think that we should allow a certain amount of latitude in this very important matter of workmen's compensation. I don't want Mr. Bilton or anyone to feel that they have been curtailed in posing their thoughts. I recognize Mr. Chairman, that you are in a position there, a rather precarious position from time to time, but I do suggest that if in a committee of this nature, because of the complicated matter that we are dealing with, that possibly members should have a little bit of latitude - and I'm not chastising you, Mr. Chairman.

MR. McCORMICK: You're taking advantage of the principle you read and that seems . . .

MR. PAULLEY: Right. Now then, Mr. Chairman, I did indicate to you that I would like to raise a question, or ask a question or two of Mr. Evans, and this pertains directly to the submission of the Winnipeg Chamber of Commerce. I note, Mr. Chairman, and through you to Mr. Evans. . .

MR. CHAIRMAN: Mr. McCormick.

MR. PAULLEY: Mr. McCormick, he's in the . . . We've known each other for 95 years--(Interjection)--Pardon? Yes, Okay. I'm sure that you, Evan, will forgive me for referring to you as Mr. Evans rather than Mr. McCormick.

MR. McCORMICK: Certainly, Mr. Russ.

MR. PAULLEY: Okay, fine. Right. Now then, Mr. Chairman, I note that in the submission of the Chamber of Commerce that reference is made that between 1967 and 1972 the Government of British Columbia provided about \$10 million to cover the cost of 50 percent of the increases. You then referred to the Province of Saskatchewan recently - as a matter of fact I believe within the last two or three months - agreed that they would provide from Consolidated Revenue - I presume that's where it's coming from - an amount of 6 1/2 million out of a total of \$16.1 million, or roughly slightly more than a third of the additional cost for upgrading pensions - and I guess I could say as an aside that they have a helluva lot more upgrading

(MR. PAULLEY cont'd). . .to do in Saskatchewan than we did in Manitoba. (I'm not claiming credit for that of course.) And then you refer to 1972, where we did provide in Manitoba out of public funds a million dollars; and if I recall correctly, that represents just about 25 percent or less than 25 percent of the total over-all costs of the upgrading of the pensions in Manitoba a couple of years ago.

You go on further, though, Mr. Chairman to Mr. McCormick, and you raise the question - and it's a very valid point, I would suggest to you, Mr. Chairman, and members of the committee that is being raised to the Chamber of Commerce - that, and I quote their second last paragraph, "If the government refuses to share this cost" - that is insofar as retroactive awards which in this particular case in Manitoba will be about \$10 million, the observation of the Chamber is that if the government refuses to share this cost, it should at least see that the costs of medical and hospital care in compensation cases are borne by the provincial universal scheme. Now my direct question, Mr. Chairman, to Mr. McCormick: can he indicate to the Committee for its consideration, whether in the Province of Saskatchewan or any other province there has been a recognition, because of some universality of health care schemes, that the employer has been relieved of having to bear the costs of hospital and medical care in respect of compensation cases?

MR. McCORMICK: Not that I know. Now there are people following me who probably have much broader information about Workmen's Compensation than I have. You yourself probably know the answer.

MR. PAULLEY: I do know the answer, but I want to know whether . . .

MR. McCORMICK: So far as I know, none are doing it.

MR. PAULLEY: The answer is that some are.

MR. McCORMICK: Some are doing it.

MR. PAULLEY: But I wanted that on the record because I understand that the hearings before us tonight are being placed on the tape and this is a matter, quite frankly, Mr. Chairman, that has been of concern as to whether or not the employer should be faced with the responsibility of absorbing the costs when there is a universal scheme, and that was the reason Mr. Chairman, for my question to Mr. McCormick. If he doesn't know the precise - and he's been honest about it; he has indicated he doesn't know the precise answer - maybe somebody else in the audience does.

MR. CHAIRMAN: Mr. Jenkins.

MR. JENKINS: To follow along that line, Mr. Chairman, through you to Mr. McCormick has the Chamber done any preliminary surveys on what the charge, supposing this was to come about, you know, where the cost of hospital and medical care, how much . . .

MR. McCORMICK: Well, Mr. Chairman, the figures are readily available from the Workmen's Compensation Board. They can tell you how much they're spending . . .

MR. JENKINS: But, I mean, your Chamber hasn't made that presentation . . .

MR. McCORMICK: No. I could dig it out from the report of the Board but I can't tell you what it is now.

MR. JENKINS: That's fine.

MR. McCORMICK: It has been looked at, I know, but the figures don't mean anything to me at the minute.

MR. JENKINS: Fine.

MR. CHAIRMAN: Any further questions? Thank you, Mr. McCormick. Mr. H. L. Cavanagh, Canadian Manufacturers' Association. Could you wait until the briefs have been distributed please?

MR. CAVANAGH: I think Mr. Reeves has copies. Is that right?

MR. CHAIRMAN: They're being distributed now.

MR. CAVANAGH: I have a few extras if he runs out.

Mr. Chairman, members of the Committee, by way of introduction I'm the recently-appointed Vice-Chairman of the Canadian Manufacturers' Association, Manitoba Division, so maybe some of you haven't seen me around. In our brief brief on the Bill 44, amending The Workmen's Compensation Act, the Manitoba Branch of the Canadian Manufacturers' Association has studied the proposals in Bill 44 and wishes to comment on a number of them.

We do not dispute the obvious need to upgrade past compensation benefits, the value of which have become eroded as a result of inflation. We are, however concerned with the fact that the Government does not intend to provide funds from the Consolidated Revenue of the

(MR. CAVANAGH cont'd). . . Province to take care of a portion of the cost involved, which we understand will amount to around \$10 million for the significant changes proposed.

At least two other provinces have recently made provision for similar upgrading of past benefits, and in both cases the governments in question have arranged for substantial sums to come from the public purse for this purpose.

Saskatchewan will contribute \$6,650,000 towards improvements in existing pensions and we understand that Alberta plans to contribute a substantial sum as well.

Obviously in these cases recognition has been given to the unfairness of having present day employers being made responsible for the total cost of upgrading past pensions. The responsibility, in part at least, is surely something that should be borne by society as a whole.

We recall that in 1972 the Manitoba Government did recognize this principle and provided \$1 million from the public purse for a similar purpose.

The Association strongly urges a re-examination of the position with regard to this issue and recommends that provision be made for a portion of the \$10 million to come from the Consolidated Revenue of the Province.

The proposed increases in compensation benefits will result in significant additional assessments on Manitoba employers, although the impact would be lessened as a result of input from the public purse as just mentioned. Even with such input, the future levels of assessment on employers may well place Manitoba companies in an uncompetitive position vis-a-vis other provinces, where lower levels of compensation benefits apply. The Association recommends that this point be kept in mind in considering future increases and that the proposed Advisory Board should consider this matter in making recommendations.

The proposal to set up an Advisory Board, which will include representatives of employers and employees, the purpose of which will be to advise the Minister of Labour, is a good move and the Minister is to be commended for the proposal. It is our hope that it will serve a useful purpose and achieve future changes that will be fair, realistic and practical.

The proposal to provide for additional assessments from employers no longer in business (under Section 32 of the bill at the bottom of page 11) is considered by us to be both unfair and rather unworkable. We suggest that this proposal did not receive the careful consideration that it merits and we suggest that you withdraw it.

MR. PAULLEY: Mr. Chairman, may I at this particular time indicate that there is a proposal for the withdrawal of that particular section.

MR. CAVANAGH: I respect your comments, Sir, I think that's all we would like to say. We are pleased with the . . . of the Honourable Mr. Paulley.

MR. CHAIRMAN: Thank you, Mr. Cavanagh. Any questions? Mr. Dillen.

MR. DILLEN: Well, you've made some reference to \$10 million from Consolidated Revenue. Would you object to a higher form of taxation for manufacturing companies to cover the cost of that 10 million?

MR. CAVANAGH: Well, yes. But just to go into that a little bit, when you go back in the earlier years there was a situation from which these claims derive. I think something must have happened at that point and a certain company which must have been in business, must have suffered in an industrial accident, let's say, and as a result of that something or other was or was not done. Let's say that whatever was done wasn't sufficient. Be that as it may, the case was treated on its merits at the time, and the proceeds from the business, either profits or at least something in excess of the cost of this compensation, was treated by the government of the time and part of it was taken by the government in some form of taxes, unless we go back too many years for anybody to be involved. I think you can accept that.

Well, now that we want to reverse the process and make an adjustment, I think it's only fair to suggest that some portion, as Mr. McCormick said on behalf of the board and I'm saying on the part of the CMA, that we have to recognize the fact that there was a divvy-up between government and the businesses at that time, and if you're going to set the record square at least you have to recognize that part. I don't know whether that was a direct answer to your question but I'm trying to set the matter straight that certain things have happened, certain other things are now considered appropriate, and in order to make them fair and equitable we have to consider both sides; and part of the take in the old days went to the government and now maybe the government has to give back part of their take as well as the manufacturer - if he's still around.

MR. DILLEN: Now in the case where a company is no longer in business but because of their practices have contributed to an industrial disease, don't you think that other companies who are still carrying on that form of practice that is attributing to industrial disease, should not still continue to pay their share instead of the general revenue?

MR. CAVANAGH: Well their share is one thing but I don't know if certain things were going on, and say you had a company and I had a company, and in your company something was going on - say everybody was smoking and exposing themselves to lung cancer, for example to take a simple case and our company, we didn't allow anybody to smoke. I don't know whether we should be pulled in on that sort of a deal. I don't know why the other company should get involved. I think we have a problem if some company was, shall we say, less observant in safety practices if it was reasonable to expect those safety practices. A lot of these things we talk about today, asbestos problems for example, nobody dreamed of these things ten years ago. The best companies in the world, the best governments, didn't have any suggestion in the minds of their best safety people that people should be observant of problems with asbestos fibres. Now are you going to say that the best governments and the best companies and all the rest of them should pay up for that? I think that's a strict case of "we've learned our lesson and now as a community we have to support the cost."

MR. DILLEN: I have a few other questions. Is the Canadian Manufacturers' Association as an association or a governing body of manufacturers throughout the province and throughout Canada, then doing any research into the effects of chemicals or combination of chemicals and dust on the human body?

MR. CHAIRMAN: Mr. Dillen, you're transgressing on the rules. Questions have to be directed towards clarification of the brief. You're going way beyond that. The question's out of order. Mr. Patterson.

MR. PATTERSON: Yes, through you, Mr. Chairman, to Mr. Swann. . .

MR. CHAIRMAN: No. Mr. Cavanagh.

MR. PATTERSON: Mr. Cavanagh. I was looking at the brief.

MR. PAULLEY: On behalf of Mr. Swann.

MR. PATTERSON: Well, Mr. Cavanagh, would you agree that when an employer makes up a budget for the year and it's usually projecting a year ahead that moneys for compensation benefits are considered in that budget.

MR. CAVANAGH: Everything that he can foresee is considered.

MR. PATTERSON: Would you agree that moneys made available for payment of compensation benefits are part and parcel of the wage structure?

MR. CAVANAGH: Well no, and I'll give you good reason. In the company that I operate as a Manager, I'm charged with the refinery at Imperial Oil out here in East Kildonan, or East St. Paul, and for three years we didn't have any accidents, but we still incurred a substantial compensation charge. We didn't have anything to pay for. And so therefore, if you want to say that these are benefits to the employers, they're only benefits to the employers whose employees receive them. In that case at least, and there may be others and there may be a special case, and I don't want to, Mr. Chairman, take you away from the substance of their discussion, but I think that's the answer I have to give to that.

MR. PATTERSON: Would you consider compensation benefits to be deferred wages?

MR. CAVANAGH: No, I think they're more in the matter of an insurance, that in the event you're unfortunate enough to experience an industrial accident that you will be compensated. If they were wages, or anything like that, they'd be taxable. They're not considered compensation in the eyes of the income tax, am I not right?

MR. PATTERSON: Well I understand, now I could be wrong, but I understand effective the first of this year the compensation benefits are going to be taxable.

MR. CAVANAGH: I'm not aware of that. I'm not a tax expert.

MR. PATTERSON: No that's what I say, I understand that. I know unemployment insurance benefits are and that's why I thought that compensation benefits were too.

MR. CAVANAGH: I don't think so. No.

MR. PATTERSON: Okay. Fine. Thank you.

MR. CAVANAGH: All right, Sir.

MR. CHAIRMAN: No further questions? Oh, Mr. Dillen.

MR. DILLEN: In your experience with the manufacturing industry, have you ever known of any industry to leave a province or move to another province because of an increase in the compensation benefits they are required to pay?

MR. CAVANAGH: I can't think of one offhand. I think that's a rather loose answer to your question because I haven't got a memory of sufficient depth to know all the statistics on that matter.

MR. DILLEN: Well I'll break it down a little closer to home, then. Have any of the companies or subsidiaries that you are directly related to, directly involved in, have they ever moved from one province to the other because of an increase in the compensation benefits? An increase in the assessment?

MR. CAVANAGH: Well, in families that I'm mostly connected with we're more capital intensive than labour intensive. Now the Canadian Manufacturers' Association is involved with many types of companies, and I might say in regard to an earlier remark you made that we're not a regulatory body. We're merely an association that represents and brings forward information on behalf of our members. Sometimes, I guess, like my friend from the union movement, we have to make representations we all don't feel entirely sure about, but we do the best we can under the circumstances. And that's the way with us. Now when you talk about an industry and the manufacturing sector, where maybe they are labour intensive rather than capital intensive, you may have quite a different situation. And labour costs and costs pertaining to labour, which compensation is one, might loom much larger in their P & L situation their viability of operation, than it would in companies like I'm connected with. So I think I'm not an expert witness relative to whether or not anybody would have to move.

MR. CHAIRMAN: Thank you, Mr. Cavanagh. Mr. John Huta, Injured Workers Association.

MR. CRUMB: Mr. Huta, due to illness, will not be able to attend tonight. He is our President. My name is Dave Crumb and I'll . . .

MR. CHAIRMAN: David Cromwell?

MR. CRUMB: Crumb, C R U M B. I shall read the brief that Mr. Huta prepared.

--(Interjection)-- Would you like me to wait until they're all handed out?

MR. CHAIRMAN: Please. Please. Would you proceed, Mr. Crumb.

MR. CRUMB: Mr. Chairman, honourable members of the Industrial Relations Committee and guests. The Injured Workers Association of Manitoba thanks the government for introducing amendments to the Workmen's Compensation Act, and also thanks those who support Bill 44. I want to begin with thanks. I want to thank these members of the Legislature that made a very extensive presentation to the Legislature in helping to bring about the changes to the Workmen's Compensation Act. I want to thank especially Mr. Sherman, who has made such a wonderful presentation on our behalf; also Mr. Patrick, who has also contributed some worthwhile recommendations. Also, I want to thank the Ministers for allowing me and our Association the time to give it the consideration at this time that we wish to give it.

In spite of the bill, the most critical aspects have not received their due. These are:

- 1) The recourse to appeal when he is aggrieved with a decision of the W.C.B.
- 2) Obtaining medical evidence from physicians in making application and in furnishing, in connection therewith, such certificates and proofs as may be required, without charge to the workman.
- 3) The whole question of pre-existing or so-called underlying conditions, the board shall in addition to any disability compensation arising out of an accident and include a neurosis and a psychoneurosis.
- 4) Medical Review Panel.
- 5) The amount of compensation an injured worker should receive.
- 6) The question of ceiling on compensation.
- 7) The recognition of the Injured Workers Association of Manitoba, Inc., as a legitimate and responsible body of people representing men and women who have, in their view, a legitimate series of grievances to raise on the subject of Workmen's Compensation.
- 8) The costs of upgrading of pensions should not be the expense or burden to the employers.

I believe all you gentlemen were given briefs that we have presented to Mr. Paulley previously. I'm not going to read that. I hope everybody here does read it though.

The provisions for appeal within the Act are inadequate and Bill 44 does very little to rectify the problems previously presented by the Injured Workers Association of Manitoba and the Manitoba Federation of Labour.

Dissension of the Board occasionally arises out of the medical advice received from the medical officers of the Workmen's Compensation Board. Often this advice is taken in evidence as expert opinion, whether or not it is supported by the attending physician, by facts, data, or is in agreement with general medical knowledge. The W.C.B. thus circumvents the

(MR. CRUMB cont'd). . .intent and spirit of the Act by being both prosecutor and judge. Ultimately, the medical opinion, such as it may be, ricochets back for review and ruling to the Board that perpetrated in the first instance.

We suggest that such a juristic function should be independent of the Board and, furthermore, that it is the providence of the legal profession. A barrister would examine all the evidence, interrogate witnesses, etc., and he would not be biased nor liable to protect the Board.

Mr. Chairman, in reference to Section 17 of the Workmen's Compensation Act amended in 1972, Chapter W 200, there are provisions in the Act stating that, and I quote:

Sec. 17 "Every physician attending or consulting upon any case of injury to a workman by accident in any industry within the scope of this Part, shall give all reasonable and necessary information, advice, and assistance, to the injured workman and his dependants in making application for compensation, and in furnishing in connection therewith such certificates and proofs as maybe required, without charge to the workman".

This, Mr. Chairman, is not carried out. Most attending physicians and the Board refuse to give out such information, advice and assistance to the injured workman and his dependants in making application for compensation, and refuse to give such certificates and proofs as may be required.

Therefore, Mr. Chairman, provision should be made that the injured worker, when applying for compensation, should have the access to his personal file and see on what grounds the Board has rejected his claim for compensation.

In reference to Bill 44, there is no provision made to alleviate this situation. Therefore, we are of the firm opinion that we should be entitled to have the access to our personal files.

The whole question of pre-existing conditions or so-called underlying conditions, the neurosis and psychoneurosis, is very important in fact, the need of a further and deeper recognition of this kind of condition. It is an area that has not been explored too well. It is an area that needs more thorough exploration because it involves the physical, emotional, psychological aspects of the injury. It has great impact and effects on the recovery of the injury itself. It is an area that the Board is very well known to reject, many back problems, because the medical profession has not yet found or not yet medically established to treat the public to a great deal of success, and someone at the Board has come up with this little phrase, "pre-existing", which the Board is using quite extensively, to their advantage, in disqualifying back injuries.

The fact remains that just because a doctor cannot find the cause of a problem, particularly in the area of back injuries, does not mean that there is nothing wrong or that there is no injury. Medicine, as a profession, does not have all the answers to all the ailments that people bring before them. Advances are being made in medicine, as in other fields, every day and some day they may have the answers and find the causes of the medical problems that the injured worker has come to them with, only to be told they could find nothing wrong.

What really distresses me is the fact that a workman can produce a whole body of evidence and yet he cannot prove it - so he's like the other unfortunate gentleman in that his diagnosis "will be proved on the autopsy table". I contend that mental, emotional and physical ailments are so closely connected that I'm sure that most doctors would find it difficult to be able to separate them, and these three factors have a relation to the injury.

In reference to "pre-existing injuries" that the Workmen's Compensation Act be amended so that all claims become retroactive to the date of the original compensable injury and benefits are based upon potential earning capacity at the time of the original injury.

Also, provisions be included within the Act to cover **neurosis and psychoneurosis as diagnosed, caused by the anxiety of being physically injured, unemployed and unable to support a family.** This should also apply in situations where the mental disorder has been caused by job tensions, family problems, and the inability to obtain or maintain employment due to a physical disability. Such claims should be retroactive to the date of the original compensable injury and the compensation rate based upon the potential earning capacity at the time of the original injury.

In July, 1972, the government passed Bill 63 introducing this section. In present Bill 44 the government has repealed this section and has made no other provisions in the Bill 44 to alleviate this serious problem.

The appointees of a Medical Review Panel consist solely of medical practitioners, who usually are biased in using so-called expert opinion as the only valid evidence. The one examination conducted by these appointees cannot always ensure a proper evaluation. Failure to

(MR. CRUMB cont'd). . .consider other evidence can and does result in miscarriages of justice, and especially to those injured workers who suffer from remissions and recessions.

It is on record that the Canadian Medical Association accused the chiropractors of quackery and that they are completely useless; the CMA went so far as to initiate a committee. Meanwhile injured workers are receiving chiropractic treatment with success when the medical profession has not helped or claim there is nothing else they can do. In many such instances physicians resort to the claim of neurosis. The main point is that members of the Medical Association sit on Medical Review Panels where evidence of chiropractors may be introduced.

Therefore, the Board obtain and assess all evidence, whether it be expert opinion or opinion of trained personnel such as technicians, chiropractors, therapists, etc., as well as any reports, records, notes, affidavits and even testimony from laymen, all such evidence to be given due consideration. Furthermore, old medical evidence as well as new medical evidence shall be valid and shall be used in making a decision. Approaching the doctor for new medical evidence sets friction between the doctor and the patient and the doctor-patient relationship starts to deteriorate. The injured worker should be able to receive and present his own medical report to be submitted and this should be made available to the injured worker so that he can present this own doctor's report to the Medical Review Panel.

We wish to thank the government for making amendments to Bill 44 for upgrading of pensions and pension benefits paid to injured workers, paid to the wives and dependents of injured workers and paid to widows and surviving dependents of injured workers of industrial accidents. It certainly is in the right direction, but the dispute remains that the pensions that the injured workers are receiving are inadequate to begin with and are beyond survival in this day and age. Surely, in the papers it looks a great deal, but if you take into consideration pensions that were awarded before this increase were, for example, \$60.00 a month and 25% of \$60.00 is \$15.00 a month, then \$75.00 a month pension is below minimum living wage and is certainly beyond survival. We have many, many injured workers who are receiving below \$100.00 a month pension. Do you consider this a fair living pension? Surely it is an improvement, but it sure does not go far enough. Let us be a little bit more realistic about the whole situation. We realize Mr. Paulley's feeling for the labour community and that he would like to make it a lot better if it were practical and reasonable to do so, but he is in the position to make all possible provisions to better this crucial situation and alleviate this situation for those who need it most. We appreciate the attitude Mr. Paulley is taking that the Workmen's Compensation program is not a welfare program, so make the injured workers feel that they are not asking for hand-outs; they are only asking for something that they are entitled to through industrial accidents from Workmen's Compensation Accident Fund not from the welfare department, because it is an insult to the injured worker to be referred to the Welfare Department for assistance and place the burden on the ratepayers. Place the responsibility where it really belongs. The W.C.B. have in reserve in the neighborhood of \$60 million dollars - why not use it - that is the purpose of the whole thing - that is why it was put there to begin with.

Mr. Chairman, Labour Minister of Ontario, Mr. Fern Guindon has announced in the Globe and Mail, October 20, 1973, quote: "Until today, the policy of the Workmen's Compensation Board has been to reduce benefits to workers as soon as a physician considers they are capable of modified employment, or "light work". In the new policy, Mr. Guindon says, quote: "Anyone who is judged to be capable of modified employment but has no job to go to will now receive up to six weeks of full compensation." "However," he admits, "that six-week period of full benefits to a worker considered capable of light work is not a very long period of adjustment for a man who faces the blows of reduced working capacity and unemployment." "We recognize this fact," he says, "and I intend to put forward an amendment to the Workmen's Compensation Act to extend the six-week period perhaps to as much as 12 weeks."

This Association feels that if an injured workers is judged to be capable of modified employment or "light work" and has no job to go to, because employers do not want to hire a physically disabled worker because they feel we are a burden to them, and who is considered so by the physician; therefore the injured worker is entitled to full compensation for at least 12 weeks, taking Mr. Guindon's confirmed statement into account. If Ontario can have it, why can't Manitoba have it too. Mr. Paulley, let us be in step with other provinces, let us not be called "sleeping Manitoba".

The policy of judging injured workers as capable of light work raised many problems, and due to lack of education, it does not enable them to have light jobs; and therefore the

(MR. CRUMB cont'd). . .injured worker is left holding the bag in the middle of the street and no compensation. Therefore, provision should be made for those who are lacking education. The Workmen's Compensation Board should be held responsible to rehabilitate these workers; to fit them into the labour field, and to make them feel that they are wanted and not left out, completely forgotten. I don't think, Mr. Chairman, the injured workers are that hard to get along with, as Mr. Paulley may think.

The injured workers have been put in a terrible situation. They have been discriminated by employers just because they sustained an industrial injury through no fault of their own while they were carrying out the responsibilities of their position during the tour of their employment, and which did not call for disciplinary action. But disciplinary action was taken against them to the extent of them losing their job due to the physical disability which they suffered on the job. Many of the injured workers are not able to find a job and the employer, if he hires them, expects them to do the same kind of work as a healthy man, but this isn't possible.

Members of our Association, the Injured Workers Association of Manitoba feel that we have many legitimate grievances, and we believe that the Minister of Labour has a responsibility to sit down with us and listen to our grievances and try to help us work out our problems. But to this time, we were not too successful in dealing with our Minister of Labour, because his time was too valuable to sit and listen to us; he is always too busy in order to ignore us.

We have presented a few presentations to the Industrial Relations Committee, New Democratic Party Conventions, but it seems that we are bucking a brick wall, our presentations are ignored. We, the members of the Injured Workers Association, feel very strongly that the Workmen's Compensation Board is in a great need of substantial overhaul. It is too far outmoded, outdated, and substantial revision should be done immediately to alleviate the crucial situation that exists in the present day and age. We believe that Workmen's Compensation Board and the Minister are doing a thorough and conscientious job, but there are many areas that are overlooked and need immediate attention and should be remedied immediately.

We have approached the unions, associations and organizations with our brief, which we have presented to the Minister of Labour and all MLA's. We have received some worthwhile responses, complimentary and favourable to the position that our Association has taken. The persons signing those comments, signing those responses, represent a cross-section of our community and are highly successful and responsible citizens. Therefore, these signatures represent the responsibility and the integrity of the Association, proving that our Injured Workers Association of Manitoba is a responsible body of people representing men and women belonging to our Association, and that our grievances are legitimate which we raise on the subject of Workmen's Compensation. Therefore we ask the Minister for his attention on the whole subject. I think that also was handed out - the partial list of responses we received.

The Minister in Bill 44 has mentioned about appointing an Advisory Committee under the Workmen's Compensation Act to review pensions and compensation on a continuous basis. We, the members of the Injured Workers Association of Manitoba feel that our Association should have a representative on the committee, because we are the ones who are directly involved with the crucial situation which exist with the Workmen's Compensation Act.

Mr. Chairman, the Minister is introducing a bill for upgrading of pensions to the injured workers of industry, and this the Minister estimates at \$10 million. Also, he states that the whole contribution will be placed upon the burden of the employers in industries, but the Government will not be involved. This we feel is wrong - the Government should share the responsibility, should share the contributions and the Government should be involved.

Upon conclusion of our presentation to the Committee, we feel that it is very important to injured workers, as well as to the whole labour force in the Province of Manitoba, to have the Minister of Labour examine all aspects of working conditions - the recourse to appeal, obtaining medical evidence from physicians in making application for compensation, the whole question of pre-existing or so-called underlying conditions; the Medical Review Panel, upgrading and the amount of compensation an injured worker should receive; the question of ceiling on compensation; the recognition of the Injured Workers Association of Manitoba; and the representative from the Association to be appointed to the Advisory Committee be given due consideration. Also that the Minister of Labour should equally represent the employer and employee - and to equally consider the injured workers who have been in the labour force, but now are physically disabled, as well as those who are presently in the labour force.

(MR. CRUMB cont'd)

It was announced in the Winnipeg Tribune on Wednesday, May 15, 1974 that the MLA's may be receiving about 50 percent increase to the range of 14, 000 from the present 9, 600 and an additional 2, 400 for expenses per year. We of this Association are in full agreement to the increase, but let us be a little more realistic about the whole situation. The injured workers who have suffered an industrial injury through no fault of their own are receiving a monthly pension, a large majority of claimants of which is under \$100.00 a month - and if you figure this is adequate, then you should try this out only for one month and see if you could survive. Our Minister of Labour has introduced an increase for the injured workers from 8 to 25 percent, which on paper looks great; which is completely inadequate and unrealistic. This method of payments certainly requires some adept budgeting on the parts of the injured workers. If the Minister of Labour is going to make a genuine attempt to correct the situation, he will have to be bold enough to accept the criticism. The injured workers must be paid at a rate which will not force them to accept a lower standard of living and become the burden of the ratepayers.

In addition, the injured worker must be able to exist in his own rights and should not be dependent on welfare in order to be able to exist and make ends meet in this day and age of high cost of living. For example, gasoline went up ten to eleven cents a gallon, groceries are steadily rising; natural gas, hydro, water, has risen, but our Minister of Labour has not taken this into account. He feels 8 to 25 percent is adequate. It would be adequate if the pensions would have been kept up in the first instance, but they were terribly neglected. There certainly should be some consideration given to the injured workers of industry. The public must keep in mind the relative insignificance of the amount paid to the injured workers of industry. Perhaps it is time to institute some form of unemployment insurance for injured workers and the benefit time, bearing a relationship to the period they were successful in being in the labour field without them suffering financial loss.

I have no conclusions to make other than thank you for listening.

MR. CHAIRMAN: Thank you, Mr. Crumb. Are there any questions? Mr. Patterson.

MR. PATTERSON: Mr. Crumb, how many persons does your Association represent at the present time?

MR. CRUMB: I would say between 200 and 300.

MR. PATTERSON: Now on the first page of your brief, Item No. 1, you mention recourse to appeal. Could you explain just what you mean by that?

MR. CRUMB: Well I think - I didn't make the brief, and I'm sorry Mr. Huta couldn't be here. But I think what Mr. Huta was trying to get at is the fact that injured workers just have a heck of a time trying to get appeals in the first place, and when they do, it's rushed through from the same people that granted them their whatever disability allowance they got in the first place. I think that's what he's trying to get at there, the fact that we're not successful in dealing with this problem.

MR. PATTERSON: On your No. 7, just what does your association intimate by recognition of the Association?

MR. CRUMB: Well we don't feel we have ever really been recognized as an association of people that have been injured in industry. We don't feel we have been given our due so to speak. We feel we should be given a little bit more consideration, as tonight for example. We presented, as I mentioned in the brief, several briefs to different organizations and the Minister and what not, and nothing has ever come to any of them - none of our recommendations have been taken up, we just haven't had any success. And as I say, the people who make these briefs and recommendations are injured workers themselves that are in our organization, they are the ones who make these up. These people aren't lawyers or well educated men, they are just working men who have been injured, and I think they do pretty well to make up these briefs and what not. They are not doing it for something to do in their spare time. They are doing it because they feel there are problems and they would like to see them corrected.

MR. PATTERSON: Did you have any trouble in getting recognized to be present here this evening?

MR. CRUMB: No, I don't believe Mr. Huta had any.

MR. PATTERSON: On Page 2, the second paragraph, just what does your Association have in mind in regard to the legal profession?

MR. CRUMB: Well we'd like to see the legal profession get more involved. Instead of

(MR. CRUMB cont'd) . . . maybe going in front of a board, the same board, time after time, we'd like to see maybe an independent barrister examine all the evidence and help decide on a just verdict as far as granting pensions and what not.

MR. PATTERSON: On your Page 3 in the third paragraph, you talk about pre-existing conditions. What has been your experience since 1972, since your latest amendments to the Compensation Act?

MR. CRUMB: It hasn't changed at all as far as our membership's concerned.

MR. PATTERSON: I just want to make you aware that on Page 7 when you mention MLA's indemnities, that there's a typographical error there, that the 96 should read 72 - just to keep you square.

MR. CRUMB: Thank you.

MR. CHAIRMAN: Mr. Bilton.

MR. BILTON: Mr. Chairman, some of the questions I intended to ask have been asked, but there is one question on Page 3, Sir, I would say paragraph 5 - "the appointees of the Medical Review Board" - you make quite a bold statement there, "who are usually biased". Do you keep a record of people that accept that sort of feeling when they go before the Board?

MR. CRUMB: It wouldn't have been in here if we didn't feel that way, Sir. I have a filing cabinet full of case histories of our members - and I think part of this problem stems from, you go in front of the same doctors every time, and our membership just feel that they are getting nowhere with these people.

MR. BILTON: Mr. Chairman, you're telling me that it's quite prevalent that the injured people are not satisfied with the present system of the Board or Panel of Doctors.

MR. CRUMB: Definitely not, definitely not. I can say that they are very unhappy with it.

MR. BILTON: Would you say there were 100 cases of this kind last year?

MR. CRUMB: I'd say there was probably more than 100.

MR. BILTON: Thank you.

MR. CHAIRMAN: Mr. Dillen.

MR. DILLEN: Are you yourself an injured workman?

MR. CRUMB: I was injured, that's how I got involved with the organization.

MR. DILLEN: How would you like to describe for us the difficulty you had with the Workmen's Compensation Board?

MR. CRUMB: It's pretty hard, because I think we all want to go home tonight actually. I'm not trying to be facetious or anything. I was - you know, kind of treated like - you know, here's a guy that's injured, big deal, you know - fill out the form. In the first place I wasn't informed of what I had to do to claim compensation. That was where part of the problem started. The Compensation Board paid most of the bills. I had a back injury. I had a fall and I injured my back that way. To this day they haven't found out what the problem is, I still have a problem. They claim there is no problem, that I am fit as a fiddle. I don't deny that I'm not in pretty good health, but I still have a problem. I am more fortunate than some of our members. I went to several doctors. I had X-rays, mileogram, everything that medicine could do to try and find my problem. It was never found, therefore I didn't have a problem. This is the point that is the most frustrating thing for an injured worker, when you can be really suffering and somebody can say to you, "there's nothing wrong with you at all, you go out to work;" and meanwhile your wife has had to help you on with your shoes that morning because you couldn't bend over to tie up the laces. This is what I'm trying to get at, eh? That's one real problem we have. I can show you our files - there is maybe, oh, at least 100 cases of back injuries.

That was one problem I had. Then because of my injury, I had to leave quite a good job with the City of Winnipeg Engineering Dept. I was on supervisory staff with them. I left it to go back to school and I have been attending school at nights for several years and I am now just finishing a year at Red River. The Compensation Board said because there's nothing wrong with me, they couldn't help me through school. I saw Mr. Patterson, he also tried to help me in this matter and he was unsuccessful, as was the union because the doctors couldn't find a problem. There was apparently none that existed and this is where this psycho neurosis - we have records on file of marriages breaking up, people turning to alcohol, and it's because they have a problem that can't be found. I think this is just about the main problem. If a man breaks a leg, you can see the leg is broken, you can put the leg in a cast and the man will go back to work. You know, it usually heals up. But there are some things the medical profession

(MR. CRUMB cont'd) . . . just doesn't have all the answers to, and dealing with back injuries is one of them. I would say the majority of people that come to us for help are with back injuries. You can get a lot of them together, and they'll all have the same symptoms; there can be fifty people, I have spoken to more than 50 people with the same symptoms I have - and yet we're all fine. It seems strange to me that we can all have the same symptoms and nothing be wrong with us. So there we go. And some of these people can't work because the injury is so severe, and yet they don't get any compensation whatsoever.

MR. DILLEN: Have you gone through the entire process of appeal in your case?

MR. CRUMB: Well I never even got to the Appeal Board. I phoned them and they said, send us a letter and we'll have an appeal. One gentleman from the Compensation Board phoned me and informed me that the appeal was all over with. I didn't attend it. I don't know what happened, I haven't got a clue. He said, well maybe we can help find you a job, and that was the end of it. So at that point I never bothered again. I've never heard of an appeal like that, where you don't even get to go to it.

MR. DILLEN: What was the year of this injury?

MR. CRUMB: February of 1972. I should mention, just to give you a little more insight, they told me at first it was back strain and that I could receive compensation. It bothered me some more and I went in the hospital and had a mileogram and everything done, and I came out and they said they could find nothing. I came out, and it bothered me again the next summer, but miraculously by next summer I couldn't even receive compensation because there was absolutely nothing wrong with me as far as they were concerned. Initially they recognized it, they called it a back strain, a chronic back strain, which led me to believe that this was something I'd have to live with. So I have to live with it, but they won't recognize it.

MR. DILLEN: Did you have a medical board?

MR. CRUMB: I wasn't in attendance at one.

MR. CHAIRMAN: Mr. Johnston.

MR. GORDON JOHNSTON: I notice that you have a number of comments and recommendations by various agencies, and many of them are unions, and I'm struck by the recommendation made by Local 144 United Auto Workers. They say Local 144 membership feels that you would get better results if you would work in conjunction with the Winnipeg Labour Council, the Manitoba Federation of Labour. So my question is, have you tried to work with the unions, or do the unions prefer to help one of their members and not be concerned with a problem at large that exists in the work force? In other words, have you explored the possibility of affiliating with the labour movement, to have their help.

MR. CRUMB: We have already affiliated with one union. I have spoken to Mr. Coulter on one occasion, but we don't want to get tied in with everybody else. We feel we have a special problem and we think that it should be dealt with as a special problem. The Federation of Labour is concerned with all labour matters and problems; we are concerned specifically with injured workers because we don't feel they are getting a fair shake, and we don't know if the big organizations and big unions will give us as much time and consideration as we expect really. We feel that we'll be better off to go out on our own.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: Thank you, Mr. Chairman. Mr. Crumb, how long has the Injured Workers' Association been in actual existence as a formal association?

MR. CRUMB: I believe since 1971, it was incorporated.

MR. SHERMAN: Since 1971. So the Association as a formally organized body has only dealt with one Manitoba Government, the present government.

MR. CRUMB: That's right. Yes.

MR. SHERMAN: Could you tell me how the membership is affected in terms of membership in the trade union movement and in individual labour unions? In other words what I'm getting at is, when a worker becomes a member of the Injured Workers Association does he or she automatically cease to be a member of the union that they might have belonged to?

MR. CRUMB: Definitely not. No. They continue if they're working. If they're working and their work is unionized there's no reason whatsoever that they can't belong to both. They have to be an injured worker to belong to our association.

MR. SHERMAN: But as long as they're working they can continue to be members of their union, so there would be a kind of an overlapping membership to a certain extent, at least among some members of your association, an overlapping membership between the Injured Workers Association and the regular official organized trade union movement?

MR. CRUMB: Right.

MR. SHERMAN: On those grounds presumably there shouldn't be any animosity between the trade union movement and the Injured Workers Association. Would that be a fair assumption? Or is there a kind of a rivalry and an animosity or a competition for membership?

MR. CRUMB: No I don't think there is any competition for membership. As far as animosity goes I've never really encountered any. Some of the bigger unions don't really recognize us for what we are. I guess it's because we don't have any great amount of funds and a huge membership; we're a small organization of people with a specific problem. We haven't got the acceptance we would like to have gotten from the unions but they haven't really showed us any animosity; they haven't co-operated 100 percent either.

MR. SHERMAN: Well would you have any views on that as to why the unions would not take up your fight on your behalf?

MR. CRUMB: Well for one thing we've never really directly approached the unions. We plan to. As I said we have affiliated with one union, and many of our members who are union members are planning to go to their unions and tell them a little bit about us. Part of it is a lot of unions don't even know about us, to put it quite bluntly. They've never heard of us. We aren't that well known really.

MR. SHERMAN: So part of your problem is perhaps stems from the fact that you're new and the information about your organization has not permeated through the union movement. Is that correct?

MR. CRUMB: That's right. We haven't had very much publicity really.

MR. SHERMAN: But once you get that line of communication going you presumably would expect that the trade union movement would probably be sympathetic to your position, would you?

MR. CRUMB: We certainly hope so. This problem exists, and I think most of the unions know that there is a problem and I think that they'll co-operate with us.

MR. SHERMAN: I just have one more question, Mr. Chairman. If I may, I wanted to ask Mr. Crumb: His organization proposes in its brief that the Workmen's Compensation Board could do with some substantial overhaul, and I wondered if he could give us an idea of what the Injured Workers Association has in mind there.

MR. CRUMB: Well, we'd like to see the whole thing changed. The method of reviewing one's case, the method of assessing what you are going to be granted in the way of pension. We'd like to see that the doctors that are in there presently - we don't feel that there's a need for them for example. We think that a person's own physician, or a specialist who a personal physician has referred him to, for instance, a doctor that may deal specifically with back injuries. If your family doctor refers you to him, his word should be good enough. You shouldn't have to go all through their doctors also. I don't see the need for it.

MR. SHERMAN: Would you envision a Workmen's Compensation Board that didn't have any permanent doctors appointed to it at all?

MR. CRUMB: That's what I'd like to see. I think these people deal day in and day out with the same problem, and I think that after a while they tend to get a little warped, to be honest with you. They see it all the time and they don't tend to treat it all that seriously, where we think they should. For my own personal example I don't know what good the doctor did. He talked to me for a minute and that was just about the extent of it. How can you base your decision on just looking at a person, or talking with him, or whatever? I think it should be the person's doctor, his personal physician who knows him, knows that this fellow isn't trying to get something for nothing, and maybe refer you to a specialist, and that's enough. I don't know why we have to have all the doctors. If there's still some doubt get another independent doctor that doesn't belong to the Board.

MR. SHERMAN: Thanks very much, Mr. Chairman.

MR. CHAIRMAN: Mr. Jenkins.

MR. JENKINS: Through you, Mr. Chairman, to Mr. Crumb.

MR. CHAIRMAN: Could you speak into the mike, Mr. Jenkins.

MR. JENKINS: Yes. Sorry, Mr. Chairman. In your presentation here you make -- on Page 3. "The appointees to the Medical Review Panel consists wholly of medical practitioners." Were you not aware of that in 1972 when the Act was passed that this would be, the Medical Review Board would be doctors, that the Medical Review Panel would be medical practitioners upon application by the Workmen's Compensation Board and the MMA would supply them? From here you say that they are biased. Are they the same people? Now you say you had

(MR. JENKINS cont'd) . . . approximately 150 cases in 1973. Would they be the same people all the time practically?

MR. CRUMB: Well I think there's some of those doctors who have been on staff there for several years.

MR. JENKINS: No, no, no. You misunderstand me. The Medical Review Panel, if my understanding of the Act is correct, are not members of the Workmen's Compensation Board. They're members of the Manitoba Medical Association who are appointed upon request, but the Board does not request Doctor A, or Doctor B, or Doctor D, they just ask for a medical review panel of experts in the various fields of what the person may be suffering from. Are you saying now that in the case of a back injury that the same recurring names of doctors on the panel are reappearing?

MR. CRUMB: I've never gone in front of the panel. I don't know who the panel is.

MR. JENKINS: You say you have 150, approximately, cases in your files.

MR. CRUMB: Yes.

MR. JENKINS: Surely there must be some recurrence if there is a bias. Surely not all the doctors are biased, are they?

MR. CRUMB: Well just to clarify this. First of all not very many injured workers actually go in front of this panel. As far as I'm concerned most of the work this panel does is look over what the other doctors have stated, the other doctors' reports. I can honestly say that I don't know of one of our members who has actually gone in front of this Medical Review Panel of doctors that the MMA has supplied.

MR. JENKINS: You mean they have not requested?

MR. CRUMB: They've requested.

MR. JENKINS: Made formal application?

MR. CRUMB: I have requested myself that I would like to go in front of whoever I could. By that I mean the doctors, the head of the Board, anybody. I didn't, and I don't know anybody who has gone in front of this panel.

MR. JENKINS: I mean did you make a formal application?

MR. CRUMB: I wrote a letter to them requesting that my case be reviewed, and I don't remember the exact words but I did request that it be reviewed and could I appear before the Medical Review Panel. I didn't appear before anybody and I just received a letter saying that my appeal had been turned down.

MR. JENKINS: What did you do then?

MR. CRUMB: I did absolutely nothing. At that point I had almost given up. You get awfully tired of going down and sitting there and writing letters.

MR. JENKINS: I quite understand that, and don't think that I'm unsympathetic, but I think that you know you've made a statement here, and I want to know as a member of this Committee. I was a chairman of the Industrial Relations Committee that sat between the session in 1971, and we heard briefs, and we heard a brief for the first time from your organization.

MR. CRUMB: We feel they're biased, the doctors that we see we feel are biased.

MR. JENKINS: You state that you have 150 cases. Now from what you've just said not one of these people has made application for a Medical Review Panel.

MR. CRUMB: Oh I'm sorry.

MR. JENKINS: How many have, or have you any idea?

MR. CRUMB: I really couldn't say offhand. I know several have. I can't give you an exact number, but I know out of all that have that I haven't heard of one that has actually gone in front of this Medical Review Panel. They go back to see the Compensation Board doctors, these people who we are claiming are biased, but they have not got to see this Medical Review Panel. They haven't gone into a room where there's been 12 doctors sitting . . .

MR. JENKINS: . . . I think it's three. Right, Mr. Minister? Three that will be appointed by the Manitoba Medical Association.

MR. CRUMB: Well I just picked 12 out of a hat.

MR. JENKINS: Now it disturbs me as a member of this Committee, as a member of the Legislature, that when you make a statement such as you are saying that these people are biased. Now we want to know if they are biased, but we want to have some proof of it.

MR. CHAIRMAN: Would you speak into the mike, Mr. Jenkins.

MR. JENKINS: We want to have some proof of that. I mean I'm not going to charge somebody with being biased unless I - if I can see you can give me say 30 or 40 cases of back

(MR. JENKINS cont'd) . . . injuries, and the same, say, six or seven doctors' names are continually appearing and these people are being rejected, then I can see that there is something to make a charge on. But that is a very serious charge.

MR. CRUMB: Well if that's how you would want us to prove our opinion of biasness, then I feel that I could substantiate it with - I can get people to tell you exactly what I have, with no problem at all.

MR. JENKINS: I mean they've appeared before the Review Panel.

MR. CRUMB: No, this is the problem. They haven't. They have never gotten that far. This is the problem right there. I haven't seen anybody who has gained access to it.

MR. JENKINS: I think we're talking at crossed purposes.

MR. CRUMB: That could be.

MR. JENKINS: You state that you thought you went to a Review Panel. But that is not what the Act says. The Act says that you have to make a formal application for a Review Panel, and you didn't do so. So your case was reviewed by the Board.

MR. CRUMB: What do you call a formal application if not a letter requesting it?

MR. JENKINS: I believe there is a formal form that goes out if I'm . . .

MR. CRUMB: Well this is another problem. I wasn't informed that I had to fill out a special form.

MR. JENKINS: Is there not a special form that you fill out, Mr. Minister?

MR. PAULLEY: Well I can answer that if you give me the permission, Mr. Chairman.

MR. CHAIRMAN: With the permission of the Committee, proceed.

MR. PAULLEY: Any injured workman whose physician makes an application for a hearing before a Medical Review Board, a medical review board shall be held.

A MEMBER: A doctor has to do it.

MR. PAULLEY: A doctor.

MR. CRUMB: I see. Well I suppose I did it wrong then. They told me my review had been . . .

MR. CHAIRMAN: Order. Order. Order. Mr. Osland, if you have questions . . .

MR. JENKINS: I have one more question, Mr. Chairman.

MR. PAULLEY: I'm sorry, Mr. Chairman. I didn't want to disrupt the normal procedures but I was asked that question for clarification. I'm a little knowledgeable of the Act.

MR. JENKINS: You state that the present amendments to the Act call for the repeal of . . .

MR. PAULLEY: Repeal of Section 72.

MR. JENKINS: Just what section of this present Act that we're discussing now is that? Oh, yes, pre-existing conditions and so-called underlying conditions.

MR. CHAIRMAN: Page 3?

MR. PAULLEY: Page 3. Starting the paragraph that says in July, 1972, the government passed Bill 63, and the Government has repealed this section in the present Act.

A MEMBER: Repealed . . . Sections 33 and 34 of the existing statutes.

MR. JENKINS: What would you suggest that we would replace that with?

MR. CRUMB: I don't really have - could I just take a minute to read this?

MR. CHAIRMAN: Yes. All right.

MR. CRUMB: Well I personally don't have anything really to suggest on that. I wouldn't suggest anything on it anyway until --(Interjection)-- Well no, it's not a matter of that but when we make recommendations or that, I don't do it personally. We like to have our membership and our executive, and what not.

MR. CHAIRMAN: Are there any further questions? Mr. Paulley.

MR. PAULLEY: Mr. Chairman, I would just like to ask Mr. Crumb a question for clarification purposes. I don't want to attempt to argue with Mr. Crumb at all, but I do believe he did make a statement to the effect that about 153 appeals were made, or Medical Review Boards were held in 1973. I believe that's what you said, Mr. Crumb, and I can check that because it is being recorded. I think it is fair to say to Mr. Crumb that everything that is being said is being recorded in Hansard. It's my impression, Mr. Chairman, that Mr. Crumb did mention somewhere in the neighbourhood of 150 medical review boards, and I believe Mr. Jenkins, Mr. Chairman, also referred to this figure. I'm informed that there were 50 medical review boards, or appeals, held in the year 1973 rather than 150. There's a slight discrepancy.

MR. CRUMB: I didn't have the figure right in front of me. Thank you.

MR. PAULLEY: And also, Mr. Chairman, I do want to ask apart from the figures,

(MR. PAULLEY cont'd) . . . whether or not Mr. Crumb is knowledgeable of the fact that every injured worker who has requested a medical review board has the right to have his own physician in attendance during the review, and indeed I believe that there are provisions made that he can be a member of the actual review board as well. So therefore I wonder, Mr. Chairman, whether Mr. Crumb would not agree that the injured worker insofar as medical evidence - I'm not talking about the adequacy of the award of the pension, which is something different - but insofar as the extent of the injury is concerned itself, has medical representation, and further to that that there is a provision that if the injured worker is being treated by a chiropractor, that he also has the right to appear before the medical board and give evidence insofar as the injury to his client is concerned.

MR. CRUMB: I was aware of the fact that chiropractors do go in front of the board but I'd just like to . . .

MR. PAULLEY: They're the only questions I have, Mr. Chairman.

MR. CRUMB: Could I comment on what you've just said.

MR. CHAIRMAN: Proceed.

MR. CRUMB: About these people being -- the injured worker being allowed to bring his doctor and himself into a Review Board. As I stated before I personally wrote for a review board, I wanted my case reviewed, and I said that, you know, I didn't know exactly all the procedures to follow. If my letter wasn't correct I asked them, well let me know what I have to do, and as I stated before all I got was a phone call for an offer to help me find a job. So I don't know what I did wrong but I think I'm just one of several hundred who get frustrated at this kind of thing.

MR. PAULLEY: A phone call to the Minister, would have suggested you see your doctor. --(Interjection)-- Oh, yes, there are pamphlets out by the thousands. However, I'm not going to get into any argument, just state the facts.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: Mr. Chairman, could I have the floor for one more moment now because of the confusion that has resulted from, I think, from perhaps a misunderstanding on the line of questioning pursued by Mr. Jenkins. Mr. Jenkins was asking about Section 23 of the new bill which repeals and amends existing Sections 33 and 34 of the existing Act, and those sections, as I understand it, had to do with compensation for pre-existing conditions, and underlying conditions, and so when Mr. Jenkins asked Mr. Crumb what he would like to see in there, I would like to take that question and now ask Mr. Crumb whether the Injured Workmen's Association would not like to see those sections left as they are. In other words, some recognition of the problem of pre-existing conditions and underlying conditions left in the bill. Is that not the point of your objection to Section 23?

MR. CRUMB: Well we'd like to clarify that a little bit more. We have problems they say of pre-existing condition, but nobody is very clear on a pre-existing condition anyway, we'd like it clarified to begin with because so many people are told it's a pre-existing injury, and you'll ask the man and he'll say, well I never injured my back anywhere or whatever, how can it be pre-existing. Pre-existing from what, to where, how? It's not clear, that's one problem.

MR. CHAIRMAN: Mr. Sherman, I'm informed by Legislative Counsel that the pre-existing injury section is not being repealed.

MR. SHERMAN: Sections 33 and 34 of the Act as existing. --(Interjections)-- repealed and the following sections substituted therefor.

MR. TALLIN: Section 34.1, not section 34.

MR. SHERMAN: That's not affected by the . . .

MR. TALLIN: No.

MR. SHERMAN: So there is recognition still remaining in the statute for pre-existing conditions, and underlying conditions, and you want clarification as to just what that means. Is that what you're after?

MR. CRUMB: Right, right. Because it's very easy to count a man out by saying a condition is pre-existing, that's very easy to say, but when you ask them how they can prove it, or what they based this pre-existing on, you don't get very many answers.

MR. SHERMAN: I see. Well that's fine, Mr. Chairman. I think there was some, certainly on my part, some area of misunderstanding from the earlier question.

MR. CHAIRMAN: Any further questions?

MR. PAULLEY: If I may, Mr. Chairman, in the present Act there is a definition of

(MR. PAULLEY cont'd) . . . pre-existing conditions, and it's clearly defined. So I would suggest in all due respect to Mr. Sherman, and possibly to Mr. Crumb, they take a look at the present Act, which was amended in '72, August of '72, to look at Section 34.1, subsection 2, wherein there is a definition of pre-existing or underlying conditions, and it's there, and this particular bill that I am proposing to the Assembly today, Mr. Chairman, does not remove that section in the Act.

MR. CHAIRMAN: Fine. Any questions?

MR. CRUMB: Could I just comment on that, just what Mr. Paulley said.

MR. CHAIRMAN: Well the procedure is that you comment to questions.

MR. CRUMB: Oh I see. Are there any questions?

MR. SHERMAN: Yes, Mr. Chairman, I'd like to rephrase the question and ask Mr. Crumb whether the Injured Workers' Association is satisfied with the existing definition in the existing Statute of pre-existing conditions?

MR. CRUMB: Well just because it is defined, to me it doesn't mean a heck of a lot. You can define a lot of things, but it's how you use them that counts. We don't like the idea of pre-existing injuries to begin with. Just because it's properly defined there, it doesn't mean that we agree with it. Defining it is fine, there's still a problem with it and a lot of problems, and a lot of people come to us -- I've seen letters -- I believe I've showed you one, Mr. Sherman, from the gentleman in Fort Garry who they attributed his back operation to a pre-existing condition. That's fine, they defined it as pre-existing, but to this day he doesn't know what they based that definition on, what they based the fact that it was pre-existing on. So because it's defined, it doesn't help our problem any.

MR. CHAIRMAN: Thank you. Mr. Neil Chernick, Canadian Pacific.

MR. CHERNICK: Mr. Chairman, members of the committee.

MR. CHAIRMAN: Would you hold on for a moment while we have your brief distributed. Would you begin, Mr. Chernick please.

MR. CHERNICK: I would like to preface my remarks to this Committee by referring firstly to the historical background of the establishment of Workmen's Compensation legislation. This legislation was introduced to avoid lengthy and costly battles in the courts. Thus, employers gave up the various defences it had at common-law which could thwart a claim by the employee and agreed to pay all valid claims, whether there was liability at common-law or not, while, on the other hand, the employees accepted less than perfect compensation. To spread the cost of compensation over industry at large and to avoid crippling any one industry, a mutual insurance principle was proposed and the basis of Workmen's Compensation, as we know it today, was laid down. Historically, Workmen's Compensation has not been, and was never meant to be, an old age pension scheme, a system for dispensing charity, or an employment insurance. It is simply a form of insurance against fortuitous injury.

The major thrust of Bill 44 is aimed at increasing and upgrading benefits to injured workmen and/or their dependants to keep abreast of the current cost of living. The public has been told that the increased pension benefits will cost employers an additional \$10 million. Canadian Pacific recognizes that in view of current economic conditions, increases in benefits to injured workmen and their dependants are necessary from time to time.

We submit today, as we have on numerous occasions in the past, that it is unjust to impose upon today's employer the cost of accidents suffered in other years. We further submit that the cost of past accidents should be borne by society as a whole and that funds for same should be provided from the Consolidated Revenue Fund of the Province.

In 1972, Bill 63, the last Act to amend the Workmen's Compensation Act before the current bill, was introduced in the Legislature. The Honourable Minister of Labour informed the House that his Government recognized a point raised by industry on a number of occasions that the whole of the cost of past pensions or past accidents should not be charged to industries operating today.

He further stated that government in its consideration felt that it would be reasonably fair to accept at least part of costs of the provision in respect of past pensions to injured workmen, their widows and the children to the degree of \$1 million. At that particular time, it was the estimate of the Government that the total cost would be between 4 and 5 million to provide for the increased benefits suggested under the amendments of that particular Bill.

In closing debate on Bill 63, the Honourable Minister recognized that the basic concept of Workmen's Compensation is not welfare and so informed the House. It appeared at that time that the Government recognized that the burden of the increase in benefits relative to

(MR. CHERNICK cont'd) . . . past accidents should not be placed completely on the shoulders of industry. The contribution of 1 million in public funds was greatly welcomed.

However, Bill 44 contains no provision, and there has been no indication that the Government intends to contribute anything towards the proposed cost of \$10 million to employers generally. Once again there appears to be an absence of recognition of the intention and the purpose of Workmen's Compensation legislation.

As this Committee may be aware, our neighbouring Province of Saskatchewan has introduced a bill amending that province's Workmen's Compensation legislation which also upgrades pensions and increases current benefits to injured workmen and their dependants. During a press conference held on March 26th, the Honourable Minister of Labour, Mr. Snyder, announced that the total cost of prefinancing the changes in benefits in that province would be more than \$16 million. At the same time, he indicated that the Workmen's Compensation Board could only afford to provide \$9 million with its present revenues.

And I would pause here, these comments were made by one of the gentlemen that preceded me, and I'd like to point out that it seems to me, and it was my impression, that the Saskatchewan Workmen's Compensation Board would out of its revenues provide at least a portion of the increased costs, and practically the entire balance would be provided by the government out of the Consolidated Revenue Fund of the province.

The Minister of Saskatchewan suggested that it would be wrong and unfair to expect employers at this point in time to make up the difference and, accordingly, committed the Government to contribute \$6.5 million in a one-time payment to the fund. No doubt the Honourable Minister of Labour for the Province of Saskatchewan took into account the comments made in the report of the Task Force established in that province on Workmen's Compensation which report was distributed in March, 1973. In that report, at Pages 54 and 55, -- and I'm sure the Honourable Minister of Manitoba has a copy of that report.

MR. PAULLEY: I've read it very thoroughly.

MR. CHERNICK: . . . it suggests that governments cannot deny their responsibility in utilizing the Consolidated Revenue Fund to meet the increased expenditures necessitated by the Task Force recommendations which to a great extent deal with the up-grading of pensions.

The report goes on to say that a large portion of the expenditure necessitated by some of the Task Force recommendations will essentially be a catching-up expense and the Government cannot lay all the blame for the lag in Workmen's Compensation benefits at the feet of Saskatchewan employers.

The report further states that the problems associated with compensation did not begin coincidentally with the reign of a particular Government. Therefore, if viable changes are going to require Government financing, the Government has a moral responsibility to provide it.

In conclusion, I would like to take this opportunity of thanking this Committee for hearing the representations made by Canadian Pacific in regard to this bill. In our submission we have concentrated on the funding aspects and sincerely hope that the Government of Manitoba will give careful consideration to our comments in this regard. Thank you.

MR. CHAIRMAN: Thank you, Mr. Chernick. Are there any questions? There are none. --(Interjection)-- Thank you, Mr. Chernick.

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MR. CHAIRMAN: Mr. Grant Nerbas, C. N. R.

MR. NERBAS: CNR and Air Canada, Mr. Chairman. I'm an employee of those two companies.

MR. CHAIRMAN: Are you speaking on behalf of the companies or as an individual.

MR. NERBAS: On behalf of the two companies, and I hope I can be of assistance to the committee.

MR. CHAIRMAN: Will you wait until we've had the brief distributed.

MR. NERBAS: Some of my associates claim that I'm accident prone, that I'm a candidate for workmen's compensation almost every working minute, so I have some first-hand information. I won't delay the committee too long I hope.

MR. CHAIRMAN: Would you proceed?

MR. NERBAS: Mr. Chairman, members of the committee, I have submitted a two paragraph brief and for the record I will read it into the record.

The submission of Canadian National Railways and Air Canada relates to Section 37 of Bill 44 and is a suggestion that Section 37 be changed to include a contribution from the Consolidated Revenue Fund towards the cost of upgrading existing pensions.

A contribution of approximately 25 percent of the estimated cost of retroactively upgrading existing pensions was made in the 1972 amendments and we suggest that the same principle be followed in 1974.

The same principle, we suggest perhaps the contribution could be as high as 100 percent but we're told by the Honourable Minister of Labour that the cost of upgrading existing pensions could be \$10 million.

We have some figures dealing with amendments in 1972, the contribution from Consolidated Revenues in 1972 was approximately 25 percent; in British Columbia faced with similar problems, the contribution was 50 percent; in Saskatchewan, again with similar problems, the contribution was 40 percent.

I do sense some degree of confusion; I don't want to add to the confusion, but there seems to be a lack of distinction between the two types of increases in Bill 44. One relates to a retroactive effect, the other to a progressive effect. Retroactively it's upgrading existing pensions, going forward it's adding benefits that will be paid to people injured, unfortunately, in the future. There's a distinction between the two, the cost of upgrading is estimated at 10 million, and I assume that that figure comes from the Workmen's Compensation Board's actuaries. There is no estimate of the cost of increasing benefits. Those are benefits in the future that haven't been granted as pensions to date. I sense some confusion between those two aspects, and I hope I've not added to the confusion.

In preparation for this evening I've read Hansard for 1972 and the current debates, and I've found an explanation, and a statement of principle by the Honourable the Minister of Labour, that was referred to by Mr. Evan McCormick and the Minister this evening, and I won't go through that again. The principle is clearly stated in Debates and Proceedings 1972. I find another statement in the current debate, and that relates to the reason for these two types of increases, namely, firstly, the eroding effect of inflation - that's why we have Bill 44 and the increases; and secondly, the need, the apparent need, to raise levels of old and new benefits.

There is no change, as I read Bill 44, in the aims and objectives and the intent of the Workmen's Compensation Act, no change at all. I'm going to suggest that if Bill 44 proceeds unamended, Section 37, there is a departure in principle from the intent of the Act. The intent of the Act, as I read it, historically to date, is to provide industrial accident insurance and I have seen for the first time an amendment tonight to Section 37, my section in my brief, the only section referred to in my brief, in which there is a provision very similar to the Saskatchewan provision for taking into account cost-of-living on an annual basis where a percent of the employees are out of step with average earnings as defined in the Act and ceiling placed on average earnings, which by Bill 45 I believe will be \$10,000. Now there's an automatic adjustment procedure now proposed in the new Section 37 (1). To me that is the cost of doing business today. That's inflation today, that's provision for taking care of inflation today, and that relates to that second part of the benefits I tried to define earlier, that's the benefits ongoing from this day forward. Where is the comparable provision for coping with inflation today, 1974 inflation, but old benefits. That's the upgrading of existing benefits. That's the cost of doing business yesterday.

And I'd like to just read a note because it goes to the principle, and I'm saying that if you

(MR. NERBAS cont'd) pass Bill 44 unamended you're departing from the principle of workmen's compensation, the principle being we'll look after cost of living in granting benefits day to day as accidents occur because that's industrial accident insurance. Why should employers pay for the increase in cost of doing business yesterday, in doing yesterday's business when that increase is caused by today's inflation. Inflation is not one of the industrial accidents insured against in the Workmen's Compensation Act. The aims, intent, and objectives, of the Act have not been changed. Why should the principle be changed? How could it be changed? Unless you change the definition of industrial accident in the Act itself.

Mr. McCormick defined that better than I can in his brief and I identify Air Canada-Canadian National with the comments of Mr. McCormick in that connection.

I listened to the debate about the reason why there is not universal hospital and medical coverage in Manitoba and it reminded me of a submission made by our companies in 1971, and Mr. Chairman, I'd like to refer to that and it deals with the lack of universality of medical and hospital coverage in Manitoba, and it says at Page 6 of a submission made to the Minister of Labour November, 1971: "This situation appears to stem from the provisions of the Federal Statutes", and refers to chapters H-8, N-8, Revised Statutes of Canada, 1970, which set out the conditions under which the Federal Government will make a contribution to the provinces in respect of hospital and medical services, which were carried into the Manitoba Health Services Insurance Act, Chapter H-35, Section 74.

We are well aware that the province cannot remedy the situation by unilateral action, but a recommendation by this Committee might be instrumental in inaugurating any necessary discussions leading to a solution. That's 1971. Nothing has happened since then although I understand that Manitoba has requested Ottawa or Canada to alter the federal statutes.

What has happened since then, I understand, is that the Automobile Insurance Act, Autopac has the same exemption from universal coverage as we have in Workmen's Compensation. And by that I mean, if a worker is injured during the course and scope of his employment he isn't covered by his hospital and medical coverage, although you'd think he would; if he was injured at home he would be, but if he's injured during the course of his employment he doesn't get insurance coverage, he gets workmen's compensation coverage. Of course we know that the insurance fund under workmen's compensation is a fund by way of assessment of employers. There's a contradiction there; there's an absence of universality, and I'm not saying that it's dishonest, it's just incomplete.

Now I'd like to return to the main point in my brief, and that is the principle of Workmen's Compensation as I understand it, and I believe it to be industrial accident insurance, a means of giving compensation for injuries. In the debates on Bill 44 I have read with interest that there will not be a contribution from general revenues this year, that the reason is that employers can well afford to absorb the \$10 million, and the reason is that the cost of that \$10 million will be under Section 37 before it was amended, under Section 37 of Bill 44, apportioned over seven years. Well that is very little relief for employers.

I want to close with this point, that before you vote on Bill 44, Section 37 unamended, that in voting for it in its present language you are departing from the principles of Workmen's Compensation legislation, and I think you should do that clearly understanding that you're departing from that. Industrial accident insurance is a narrow field, it's not general insurance, it's not welfare legislation. If you want to go backwards in time and have present-day employers pay for yesterday's accidents, upgraded because of today's inflation, you are in another field, and you're departing from workmen's compensation. I think every member of the Committee should realize that, and every member of the House, when voting on it should fully realize that.

I think that is all I have to say. Having checked my notes that is all I have to say. Thank you very much for listening to me.

MR. CHAIRMAN: Thank you, Mr. Chernick. Mr. Paulley.

MR. PAULLEY: Mr. Nerbas.

MR. CHAIRMAN: Oh pardon me. Mr. Nerbas. I'm one brief back.

MR. PAULLEY: Well this really applies to three briefs that we heard tonight, Mr. Chairman. The brief of the Chamber of Commerce, to some degree, the Canadian Manufacturers, CPR, and the CNR, and particularly it's a question that could have been directed towards Mr. Chernick. I understand that both the Canadian National and Air Canada and CPR self-assessed insofar as compensation recovery payments are concerned.

MR. NERBAS: We have a deposit account, Mr. Minister.

MR. PAULLEY: Yes, that's right. On the incident of accidents, and I can appreciate, Mr. Chairman, the reference that has been made in respect to past accidents. The only comment, if I'm permitted to comment, maybe the CNR and Air Canada, and also the CPR, might be able to lessen their costs with a further intensification of safety provisions and devices, so that the incident isn't as hard on them as I know that it is at the present time because of some deficiencies. But apart from that, Mr. Chairman, Mr. Nerbas and Mr. Chernick were dealing with the matter of principle, and I notice in the brief, Mr. Chairman, and my question to Mr. Nerbas is that his second paragraph says, "a contribution of approximately 25 percent of the estimated cost of retroactivity upgrading existing pensions was made in 1972, and we suggest that the same principle be followed in 1974." If we're dealing with a matter of principle should we not, Mr. Chairman - and this of course is directed to Mr. Nerbas - state a firm policy rather than a hedgy-hedgy policy. If 25 percent is good isn't 100 percent just as good, insofar as the contribution is concerned?

MR. NERBAS: I thought, Mr. Chairman, that I had made that point clear. That the two reasons for amendment, upgrading benefits and pensions in Bill 44 were, first of all inflation, which I regard as a social disease and not an accident, and the other was that perhaps the levels were too low to begin with, and I think the employers must accept some responsibility if the levels in fact were too low. That's why I don't say 100 percent. Twenty-five percent may be too low. Forty percent Saskatchewan has deemed to be the right one. B. C. said 50 percent, with a maximum of ten million. So I don't think I'm in a position to say where the percent should be. I certainly know that the people with the statistics are in the Workmen's Compensation Building, and not here tonight.

MR. PAULLEY: But, Mr. Chairman, to Mr. Nerbas, he says that he is not in a position to ascertain as to whether it should be 25, 40 or 50 percent. Should not we then as government, and responsible for the introduction of amendments to The Workmen's Compensation Board, have the same license to say that the investment should be 100 percent?

MR. NERBAS: Well, Mr. Chairman, I'm at a disadvantage in that, in the debates introducing Bill 44 there was an estimate of \$10 million as the cost of upgrading pensions. I assume, as I indicated earlier, that that estimate must have come from the actuaries of the Workmen's Compensation Board, and I know from experience that those actuaries have statistics which they keep to themselves. I would not have access to those statistics. I do think though that they are available and costs and estimates can come from that source.

MR. PAULLEY: But really that's not the point, and I'm not trying to argue, Mr. Chairman, it's on the matter of principle. If it's good for 25 percent, or 40 percent, or 50 percent, is it not good also for 100 percent, despite the fact as has been quoted by at least three briefs this evening, if not four, that the Minister of Labour in 1972 made a statement that there should be a contribution of a million dollars from the Consolidated Revenue. I'm sure that my friend Mr. Nerbas would acknowledge that I could have made a mistake then, and that I am not making a mistake now in my recommendation.

MR. NERBAS: I have to acknowledge that we can't be definite on percents. Percents to me are degrees; principles are not degrees. You can't water down a principle. A principle is a principle.

MR. PAULLEY: Sometimes I'm wrong. I was wrong in 1972.

MR. NERBAS: You were too low in 1972.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: That anticipated my question, Mr. Chairman. I was just going to ask Mr. Nerbas whether it wasn't possible that the Minister of Labour did indeed make a mistake in 1972, but the other way from the way that he is suggesting.

A MEMBER: That could well be.

MR. CHAIRMAN: Any further questions? Mr. Dillen.

MR. DILLEN: You have made reference to workmen's compensation as being a form of insurance against accidental injury - I think that was the term that you used.

MR. NERBAS: Yes. By definition in the Act.

MR. DILLEN: Well if that were the case and the employer is contributing an assessment or a premium on that insurance policy . . .

MR. NERBAS: Yes he is the sole contributor to the plan, apart from contributions from general revenues.

MR. DILLEN: That would mean then that the plan itself may be misnamed, or mis-numbered, in that it's referred to as the Workmen's Compensation Act. Wouldn't it be better named as the Companies Compensation Act?

MR. NERBAS: In the eyes of the public, Mr. Dillen?

MR. DILLEN: Well in your opinion.

MR. NERBAS: No I think the correct name is the Workers' Compensation Act. The intent of the Act is well defined, and my only concern isn't that we rename the Act, it's that we do not depart from any principle which is the basis of this Act.

MR. DILLEN: Well if the situation should occur that the, you know, in the case of accident premiums paid by an accident insurance company . . .

MR. NERBAS: As a matter of contract, yes.

MR. DILLEN: If they don't receive enough premiums to cover the amount of claims paid out they increase the assessment, or the fee.

MR. NERBAS: That's how the Compensation Board works too. The assessment is based on a percent of payroll and industries are classified, and on their accident ratio a percent of their payroll is assessed monthly, or weekly or whatever it is.

MR. PAULLEY: In that classification.

MR. NERBAS: In that classification, yes.

MR. DILLEN: Well my understanding, you know, it's been my understanding that the railroad companies, of which we've heard representation from here tonight, have been in business in this country for longer than the Workmen's Compensation Board has been in effect.

MR. NERBAS: I think that's correct.

MR. DILLEN: Well then why do you make a presentation on the question of pensions to those people who are receiving pensions from your companies when it was the cost of doing business when the Act was introduced. Why shouldn't that still be a part of your ongoing cost of doing business?

MR. NERBAS: That's a good question because the cost of doing business today, as we can see from the new amendment to Section 37, will include an automatic adjustment to take into account rising costs, cost of living. That's current, and that's what employers are faced with in doing business today. And they're going to pay for that in benefits from now on that are granted for industrial accidents. Now say an accident happened in 1950, a man was injured and was granted a disability pension and it took into account the inflation of 1950, and any upgrading that has occurred in legislation to date - and if we look at 1972 the upgrading included contribution from General Revenues - well now in 1974, because we're faced with increased inflation, increased inflation, we're going to ask employers today, who may not have even been in business in 1950, to pay for the problem of an accident in 1950 which was made worse because of 1974 conditions. To me that is a matter of principle. That's a matter of everyone in the province sharing the cost of, not one part of the province, namely the employers, that to me is a social problem, not an insurance problem.

MR. DILLEN: Can you tell me then whether in your opinion if two years ago the pensions that were paid to injured workmen were high enough?

MR. NERBAS: Well I'm an employee of this company that I represent and if I'm injured I want to be looked after. You know that we have - 75 percent of your average earnings, which is the maximum you can obtain under the insurance scheme of Workmen's Compensation, then the Act provides that there is going to be a maximum on the definition of average earnings, and that's \$10,000, so that the most you can get if you're injured is 75 percent of \$10,000. And now with the proposal in Section 37 there can be \$1,000 increments above the \$10,000 ceiling, so the maximum I can get will be 75 percent of 10,000, plus any of the 1,000 increments, and that's what I understand when I go to work is my maximum insurance arising out of industrial accident. Now I can hope for the moon, but I know I've got that.

MR. DILLEN: Would you . . .

MR. NERBAS: Seventy-five percent. You might wonder why it's 75 percent, why not 100 percent? As far as I know every province has 75 percent. It takes into account the substitution of damages for injury in the days before workmen's compensation where you had to sue your employer. You had to go to court, you had expenses, and so forth. Now all that has gone by the boards. You're going to go, by filing the claim - your employer in fact has to file the claim for you. You report the accident, he files the claim. You're entitled to that kind of coverage and the principle behind it is that you don't pay tax on the compensation of damages awarded, therefore it can't be 100 percent of your salary, therefore it's 75 percent of your

(MR. NERBAS cont'd) average earnings. It replaces 100 percent of your earnings.

MR. DILLEN: Can you tell me what the assessment is for your company?

MR. NERBAS: Well I think the Minister indicated that the railway is in class "C" in the Act, and it is a deposit account rather than an assessment account. As an accident occurs we fund for that accident, and the Compensation Board simply phones us, or writes us a letter, and says we need another 100,000, and we send him a cheque for 100,000, that covers the actual pension and benefits awarded, plus the cost of administering that thing for us.

MR. PAULLEY: I think, Mr. Chairman, Mr. Dillen could find that in the annual reports of the Workmen's Compensation Board, that's all in there Mr. Dillen.

MR. CHAIRMAN: Oh, do you have another question?

MR. DILLEN: You don't have the amount with you?

MR. NERBAS: Well we're dealing with hundreds and hundreds of thousands of dollars, it's like a cost plus situation. We may for every benefit. If a pension is granted to a CN employee, it's capitalized, we put the capital into the fund, the Compensation Board sends out the monthly cheques, and then we pay the Board for that service. So whatever it costs the board, plus their operating margin, we fund it as a deposit rather than an assessment.

MR. DILLEN: Do you get a percentage of interest on the deposit?

MR. NERBAS: You're really saying, is there any reserve left? I think the reserve would come about, and I stand subject to correction, if a permanent disability pension were granted to an employee, and say he was aged 40 and he died at age 45, we would have capitalized that pension for his work life, and the difference between age 45 and his work expectancy would be unused capital, and we don't get that back, that stays in the fund.

MR. DILLEN: When you're talking about a fund, I'm wondering if it's a separate bank account on which, or an investment on which interest is accruing to the company?

MR. NERBAS: I'm sorry I can't answer that. I perhaps should know that. I could probably find out quickly. --(Interjection)--A minimal interest each month I'm told.

MR. PAULLEY: Mr. Chairman, I may just to clarify this for Mr. Dillen, if I have that permission, for the year 1972 - it's the last full year that we have the figures for it here - the assessment for Class "C" which Air Canada and the CN happen to be, it was \$317,000-odd, and the C. P. R. about \$411,000, Mr. Dillen. Those figures are contained in the annual report of the Workmen's Compensation Board, including administration.

MR. CHAIRMAN: The Premier.

MR. SCHREYER: Mr. Chairman I have two questions to address to Mr. Nerbas. The first has to do with the written part of the brief, the presentation. You describe Section 37 as a departure in principle for the reason that industry is being asked, or assessed, to pay something towards the cost of making an adjustment that has a retroactive impact, and I would like to ask you if you have any recollection or knowledge as to whether this has been done, say in 1964 specifically, and in 1966?

MR. NERBAS: Mr. Premier, I perhaps should know the answer to that. I again could find out in a hurry. I do not know the answer.

MR. SCHREYER: Well, I'd suggest to you, Mr. Nerbas, that in fact in 1964 - I was here at that time, I have some recollection of it - that an adjustment was made with respect to widows' benefits, and also partial disability, and again in 1966. I'm less certain about 1966, but I believe it's correct that an adjustment was made then as well that had some retroactive impact and therefore retroactive cost, and I believe that there was no provision from Consolidated Revenue.

MR. NERBAS: May I comment on that, Mr. Chairman.

MR. SCHREYER: Well I'm asking, if that is so, we can check this; but if it is so, would you still describe Section 37 as a departure?

MR. NERBAS: I have attempted to find out how those retroactive increases were funded and I was not able to answer this question. I asked it myself, were those increases funded out of Reserves on hand by the Board and returns on investments of reserves by the Board? I do not know the answer to that. Subject to that comment, and if that wasn't funded in some special way, your point is correct that there was a departure in 64 if that's the case. I do not know.

MR. SCHREYER: The second question Mr. Nerbas is, and here I hope I misunderstand your verbal presentation, at least that part of it where I inferred from what you said, that you believed that the cost of, the medical cost, the related health care costs that are the result of

(MR. SCHREYER cont'd) an industrial accident, and I believe you intimated even of a car accident, really ought to be paid for by the universal plans, or the so-called general plans, rather than from the specific purpose injury protection plan, namely Workmen's Compensation, or Autopac. Let me change that, not Autopac, a car insurance plan, whether it be public or private. Now are you suggesting that the general health care plan should pre-empt the responsibility of industrial insurance and automobile insurance, public or private?

MR. NERBAS: My point, Mr. Chairman, and Mr. Premier, was that if we were going to have in Manitoba a universal health and hospital plan, and if that was to be universal in Canada, and other provinces as well, it should be universal to cover industrial hospital and medical care as well as domestic, or all other types.

MR. SCHREYER: Well then what about car accident injuries?

MR. NERBAS: Well as I understand it, and the reference was by analogy to the Autopac, Auto Insurance Act, that if the driver injured in a car accident is driving a vehicle in the course of his employment, his hospital and medical bill will be referred to for payment to the Workmen's Compensation Board, and the comment again is the same that if we want a universal plan, let's make it universal and cover everything.

MR. SCHREYER: Well then by virtue of that reasoning Mr. Nerbas would you agree that it's a mere matter of extension, and one can then make the case that the medical and health care costs that are incurred as a result of an automobile accident, really ought to be paid for by the general taxpayer through the health plan, rather than by the specific purpose automobile insurance plan, or company.

MR. NERBAS: Well the reference to the automobile insurance was by analogy. The point I was attempting to make was Workmen's Compensation, the injury to an employee on the job, and the distinction that if he's injured on the job, one thing happens to his medical and hospital; if he's injured at home, something different happens, and we're talking about plans that are funded to a large extent, to the extent I'm not sure, by tax money in the case of hospital and medical; and then we're talking about Workmen's Compensation funded by assessment or deposit from employers and I say, I point to that as an exception to the universal plan. I put that forward for the consideration of the committee.

MR. SCHREYER: Well, Mr. Chairman, I suppose it would be argumentation if I persisted further with the questioning, with the line of questioning. Thank you.

MR. CHAIRMAN: Thank you. Any further questions? Mr. Patterson.

MR. PATTERSON: Mr. Chairman, I have a sort of a general policy question arising out of the second paragraph of Mr. Nerbas' presentation. It also relates to the philosophy of the CPR brief, and that is, Mr. Nerbas.

MR. NERBAS: We can call Mr. Chernick back if . . .

MR. PATTERSON: No I think you will do quite well. Do you agree with the present-day policy which finds current taxpayers paying for improvements of benefits, pension benefits to veterans of World War I?

MR. NERBAS: I can't speak with authority on that.

MR. PATTERSON: No. I'm just asking if you agree with that policy?

MR. NERBAS: I'm sorry I can't follow the . . .

MR. PATTERSON: The Government policy is present-day taxpayers have to pay for improved benefits of the pensions being paid to veterans of World War I.

MR. NERBAS: I think that is a social problem for taxpayers generally.

MR. PATTERSON: Do you agree with that type of philosophy, or policy?

MR. NERBAS: Yes. I think that's a general application an acceptance generally of a social obligation.

MR. PATTERSON: Yes, well then my second question is, why would you disagree with current industry paying for benefits that would improve the back pensions of people previously injured in industry?

MR. NERBAS: Well, that is a very sound question and I thought we'd answered it before that there were two reasons why you have increases in the existing pensions, that's the retro-active effect of Bill 44. The first reason is 1974 inflation. I say that's a social problem, should be funded at least in part from general revenues. The other part of it is, perhaps the levels were too low back in whatever date you mention, 1950, perhaps those levels of benefits were too low when the pension was granted, and I think the employer perhaps should pay some of that--(Interjection)--but not all of it.

MR. PATTERSON: Would you agree that all of the increased costs are not accruing to inflation but maybe some to the increased standard of living?

MR. NERBAS: Increased standard of living means that the people want to spend more, have more things to buy - is that what you . . .

MR. PATTERSON: Well increased productivity and technological change bring increased standards of living.

MR. NERBAS: And your suggestion is that those increased appetites and ability should be funded by an assessment on current employers and no one else.

MR. PATTERSON: That's my opinion; I just wondered what yours was.

MR. NERBAS: My opinion is that when you upgrade existing pensions, you do it for two reasons: (1) Inflation - and you can call it increased appetites or whatever it is, it's the cost of living today. That to me is a social disease and not an industrial accident. Workmen's Compensation to me is insurance against industrial accidents. If you want to change the purpose of the Act I'm going to suggest that you change the method of funding: If you're going to turn it into social welfare or social insurance rather than accident insurance, which is a narrow field, then you've got to change the name of the Act, the objects and intent of the Act, and the method of funding.

MR. CHAIRMAN: Thank you Mr. Nerbas. Mr. Coulter.

MR. COULTER: Thank you, Mr. Chairman. Well we are a little late again tonight but this is a different one, and I hope and trust that the Minister will be able to take a little different complexion this evening than he did the other night.

MR. PAULLEY: I didn't hear your opening remarks.

MR. COULTER: I say this is another night, and a late one, and the same Minister, but he's got a different complexion tonight and we're pleased to see that.

Bill 44 has some fine improvements for the Workmen's Compensation Act, which we are pleased to be able to commend the Minister for here tonight. We see that the first change is the change of workmen to worker. That's indicated, but you didn't go through the rest of the Act to be consistent. But I guess you're in keeping with the trend these days of unisex, this unisex binge, or whatever you want to call it, but we'll go along with that. You might even consider work persons that some people have a hang up on too, which we are confronted with from time to time. But I leave that with you anyhow, I'm not going to quarrel with that one.

The widows' pensions from January 1st, 1974, to be based on the actual compensation that would have been payable to her spouse. I think that this is a real breakthrough, and we appreciate it. We have been advocating this, and we recognize that this now gives the opportunity for the widow to maintain her household, her family, and it should be appreciated that that compensation that she is getting is only 75 percent of the wages if the wages were less than the ceiling of the deceased husband, but we appreciate that. The other - the present widows' pensions being raised from 150 to 250 dollars is no doubt in the right direction. It's still a little short of what the minimum wage would produce, and I think if you calculated that out with the way things are going it's anticipated that the minimum wage will produce about \$400.00 a month, and 75 percent of that about 300, so just keep that in mind another time around if you can still have a little more leeway to push that up a little further.

Dependent children up \$10.00 from 60 to 70, and orphans from 70 to 80 likewise are appreciated and in the right direction.

A considerable, and well deserved increase, the older disability pensions that is, will be welcomed by many that do receive the 25 percent factor, and that is those that are on compensation or benefit prior to '69. I think we should make the point here - and maybe you could look at it - that it seems to me that the reference here to the time is for benefits paid from that time instead of from the date of the accident, and sometimes it takes a few years before the benefit is paid, but the peculiarities of the Act are that the compensation is based on the wages at the time of the accident, so really those things should be consistent, it should be the time of the accident, because that's the time that the pension, or the basis on which the pension is paid, so we would like you to look at that aspect of it.

We also recognize that the minimum pension being paid now for total disability has been raised from \$175.00 to \$250.00 per month - a fairly substantial adjustment - but here again I think it's quite warranted and in fact we give you this same reference that the minimum wage would produce a compensation at \$300.00 a month, so you still have a little way to go there to meet some of our objectives.

(MR. COULTER cont'd)

With due respect to both of these adjustments, they fall short of what we consider to be proper, and that is that they be maintained on a consistent basis with the current wage level of the type of work of the injured worker, and we know that a considerable adjustment would be required to do this, but we think in principle that it should be recognized. We know that we have some concern here from others, the employer as to how it's going to be paid, but I think the principle of setting out the cost of an injury, instead of . . . the dollars for it, and having the compensation paid on that basis, that superimposed on that should be a system where annually you would look at what would happen to the average wage and salary index or industrial composite average salary and wage index, and pensions should be adjusted annually on that basis. I suggest to you that there are some other countries in the western world that are doing just that, which recognizes full equity and indeed the basis on which the veterans' pensions are now paid to some degree. It's not the same, but veterans' pensions are based on the sampling of lower salary paid people in the Federal Civil Service, and we think that that is the type of thing that should come for injured workers as well.

There's one aspect of this particular adjustment here that is being made, that is the 25 percent, that scale. I think the term that is used is not applicable to those receiving 10 percent disabilities or less - and that's one I think that you should look at, that we would prefer that those less than ten percent, because there are a lot of disabilities at the ten percent rate and it's just a simple matter to change a couple of words there so that the 10 percent disability people could be covered. I think you have had a demonstration here tonight from the injured workmen of some of their problems and talking about pensions of \$100 a month and that kind of stuff. Those are people that have got a small percentage disability, and some of them will be at 10 percent, and under this particular provision here they will not get any benefit at all. So I would hope that you would look at that and just change a few words in that particular section that would accommodate them at least.

The \$200 minimum falls short even of what would be paid to persons working on the minimum wage, and I've said that before, but I think that in principle for the minimum basis of pension, should be on that basis. It's a pretty fair one I think. People shouldn't be expected to live on a pension that is less than minimum wage, 75 percent of minimum wage would be \$300 - and that's what we're suggesting, that in basic principle that should be recognized, and that I think is taken care of in some people that may be not earning very much when they get disabled and therefore the basis of their pension to start with is very low. We trust that these reasonable objectives will be forthcoming in the not too distant future.

Now we get to the question of funding, and naturally we are pleased to see the cost of these increases are going to be found within the system and not from the public treasury. And here we recognize - and this is the point that the employers have been quarrelling about - that they are now going to be assessed for this, and the bill indicates that this can be spread over a period of seven years if the Board wishes to do so. I think it should be interesting to note for these people here on the committee, and the employers, that some two years ago when you dealt with this before, we took strong objections to your putting one million dollars in from the general revenue of the province because we thought it was a wrong precedent. We see that other provinces are starting to nibble in at this particular thing, and we don't think it's proper. But over and apart from that, and we said at the time we didn't think that that one million dollars was necessary, and we were proved right one year later when we got the Annual Report of the Compensation Board that they had indeed a surplus of four million dollars in spite of the extra cost that they had to pay; so in fact, if the Government hadn't put up the one million, they would still have had the three million dollar surplus. We made the point at that time that the extensive reserve funds being retained by this Board, being properly employed, that the revenue generated from it is considerable, and that revenue being generated is being accomplished because we have inflation; because we have higher interest rates, the return is considerably more; so that the surplus is a product of inflation and it should go towards benefitting the people on pensions. We suggest to you that with the experience that we suggested was there before, and the surplus that particular year, that each year now you will realize - and I estimate the surplus of at least \$ 2 million a year on the funds that were put there by employers for accidents years back, so that you're not going to have to assess current employers for this money. It's going to be generated from the funds that were there, put there by the employers that were responsible for injuries at the time that those allocations to that

(MR. COULTER cont'd) reserve fund were made. I think I can be proven right in that thing, we've been proven right so far, and I think that you should look at that. I think in this regard, I have no sympathy for the employers with regard to the argument because it's not going to come out of their pockets in any case.

I would just like to make a comment with regard to the question of employer contributions, and that there's many misconceptions abound in the minds of people as to the cost of compensation as to who pays the bill. Employers take the position that they and they alone foot the bill. Well, Mr. Justice Rhodes has this to say on the subject on Pages 11 and 12 of his report, and that's now a few years back - but he's a learned gentleman and he went very thoroughly into the question of compensation, and this is what he had to say: "It is deceptive, however, to say that the employers of a class bear the whole cost of compensation, a considerable part of the cost is passed on to the consuming public by including it in the sale price of the commodities which the employers produce or the services which they sell. The public benefit by the fact that the worker though disabled is able to retain his self respect, the compensation which is received is not charity, he has in fact purchased it." I think that the employer should digest that one and see if their argument still holds. I don't think it does.

The suggestion was made that really this is a social problem, and I am trying to indicate to you here tonight that this is not a social problem. It is an economic problem of inflation, and within the systems of looking after the economics of Workmen's Compensation inflation has had the factor, I suggested, that there is increased revenues and this can quite readily be taken care of. If it's not, I suggest that the money, if there's extra assessment required, it can come out of the considerably higher profits that are expected today - recognizing that this is today, that's what they're wanting, they don't want to have profits on the basis of the time that these workers were injured. So let's keep those things in harmony and be gentlemen enough to agree that these individuals shouldn't suffer the consequence of inflation or the economic problems that arise, and that the employers have a responsibility to maintain the dignity of the worker that has served them and is receiving compensation.

The question as to whether it's insurance, I think that the gentlemen from the CN, Air Canada, really didn't give you the whole story, you know, that sure compensation was established on the basis of insuring the employer. He was going to pay the actual cost, but he wasn't going to put himself in a position where you have to pay extra costs for general damages, which are quite the custom. If you have an automobile accident you will find that these areas the learned judges are quite concerned, and justifiably so - to see that that individual, if he has a severe accident and it's going to hamper him for his life, that there will be some pretty general damages applied and the cost to that insurance for maintaining that person for a number of years expectant, and therefore that's the aspect that the employers are saving. It's not true insurance that they're paying and they should be prepared to pick up that aspect of it as it goes along, I suggest.

The raising of the ceiling from the 8,000 to the 10,000 we appreciate very much. We have asked that it be raised or eliminated altogether. We see in the documents you supplied us with tonight that you're agreeing to apply a formula where that's, you know, automatically adjusted, where 10 percent of the claimants their earnings exceed the ceiling, and we think that that is a fair proposition. We appreciate the fact that you have introduced that.

We have also urged that the new wording for Section 31 be checked to insure that the contemplated improvements in the disability pensions will in fact be applicable to any supplementary benefits being paid over and above the basic clinical rating of a disability, and that is that portion deemed to cover wage loss. We are sure this is intended, and would be disappointed if it is later found to be faulty in the wording of the draft. Now I'll leave that one with you, but I think that that is true, that you would expect it to go. There are individuals that, say, have a twenty percent disability, they are recognized because of the nature of their injury, that their wage loss is more. They have a factor in there for that, and they have extra compensation on that basis that we would hope that that would be adjusted accordingly. I think you will find - and that is based on the difference in wage loss, and that's 75 percent usually of the difference, so that it may be a little complicated, but I think that you should recognize that aspect of it so that these people are not going to be standing still. Because the person may be getting pension raised to recognize an earning capacity in 1960 for instance, he shouldn't be held to that, and that could happen unless that factor was adjusted. So we'll leave that with you, and I think that you will appreciate that and correct it if it is indeed faulty in wording.

(MR. COULTER cont'd)

We have left to last our greatest consternation, and that is the fact that no remedial provision is being included in this Bill to take care of those harboring pre-existing conditions inherent in their particular situation prior to July 1972, the date from which such disabilities are now recognized because of that change in 1972. We have been led to believe the change in the legislation at that time was thought to include such cases and regretfully the change has not been interpreted to do that. Now I think that you people showed a considerable interest in this question in dealing with the representative from the Injured Workmen, and here I think that you can readily appreciate just what their problem is. They say that they have a number of members, and they've got problems, they can't deal with them and, quite frankly, we have the same. The Compensation Board are quite cognizant of the fact that there are many of these people on the books, but they can't deal with them in this section of the Act because it's been interpreted that they can't deal with anything of a claim that was prior to July 1972. So really that needs to be changed if you are going to deal with these people. Now we believe they should now be accommodated. It would not be too costly we think, and it would clear up some of the continuing real problem cases. Many of these are neurosis problems which are well known to most MLA's, and I think that that was what I was getting at that is demonstrated here. --(Interjection)--Well I tell you, if you stay at this business long enough you will become that, you see . . .

MR. PAULLEY: Even worse. He may become senile a helluva lot earlier than normally he would do.

MR. COULTER: Some might want to go to the head of the class, I don't know but - no, I think seriously, gentlemen, that the chap from the Injured Workmen, thankfully for him, that he doesn't appear to me to be one that has got this problem of neurosis - but the person that wrote that brief, that was supposed to be here tonight, I think that if you look at it, you will find that that is so. I know the gentleman, I've dealt with him, I've tried to help him and there is just no way, that that fellow is a victim of the system, he has a disability not recognized. They can't recognize it, because there's some pre-existing condition so he can't maintain his own household, his family. What does he do? You know, this is the type of thing - and he goes from job to job, or he goes on welfare, and I say they are products of the system. They are not being recognized for the injury that happened to them. Now we were quite pleased in 1972 when this whole question of pre-existing condition was recognized - although the bill at that time, and the law now says at least a 50 percent recognized, we've been asking that the 50 percent be taken out so that it will be fully recognized. We are mindful of the fact that the Board itself has not been dealing with these matters and not recognizing to the full extent, they're not going back to the 50 percent. So really it was put there, I think, as a safeguard in the first place - but we would like to see that 50 percent removed, we don't think it's necessary because of the experience. But nevertheless these people that have all the problems are the members of Injured Workmen, should be treated and given some benefits the way we suggest. I was just chomping at the bit when you were taking so much time dealing with this question, because you were so concerned with it, but they are the facts.

I can say that with regard to co-operation and assistance, that we have done everything we can to try to encourage them. We have submitted them, we have given them submissions, briefs, very fine documents that are recognized across the country to try to help them, but some of them just can't comprehend the principles that are in the Act now and how to deal with them. I can say if you look at the brief that is attached to it, that was submitted to the Minister, that was drafted by a different person, that it is a considerably different document. It's got some of the understandings and the recommendations that we have been making over the years, and indeed these people I think, if you don't know, over a year ago they got a LIP Grant of some \$29,000 to help them help themselves. In other words they employed some of their own people that couldn't get employment elsewhere to look at some of the cases, they got some files; they have difficulty analyzing them and getting these things out to be able to deal with them. They did have some help from the Legal Aid people at that time, and I know I met with them, I met with them and the Legal Aid people, the people from the Social Welfare Planning Council, and I can say that we've done everything to try and help them. We have invited them to sit in our conventions when we're dealing with Workmen's Compensation resolutions, and discussions, and we tried our best but I think that you can realize, and I'm trying to get across to you, that the people that are in that group are real problems, and that's it, and there's nothing we can do with them unless we can do something in benefiting them in the way of pensions

(MR. COULTER cont'd) or compensation in recognizing their problems. So with that I will leave that one.

The question of the amendments that you give us tonight, I think at just a quick glance they seem okay; I haven't got into the technical aspects of it, but I'm sure that they're all right.

The Advisory Committee situation: we asked for a Task Force. Now we recognize that this is a pretty complicated business, and it's not easy to get a group like you people here, busy people, and particularly at the end of a session to really concentrate on the many principles that should be looked at and constructively so to improvement, so that we're looking forward to an opportunity to do that. An Advisory Committee is not a Task Force but it may be able to do the same type of job that we think is necessary. Here again I think that the problems that the injured workmen have stated, that hopefully we can resolve some of these things and get a meeting of minds and in that way take care of it.

The one question that we likewise have a little problem with and, it's been indicated from the injured workmen, is the medical decisions, and we intend to go into this quite seriously, and probably with legal counsel, because we don't think - as a matter of fact we have at least one documented case where we say that the medical panel has gone beyond its reasonable competence, or detracted from its own line of professional ability, in denying compensation because they don't think it's job related when all the evidence indicated that it is, and we've been able to prove that, and I think a judge would indicate so, but nevertheless the person is denied compensation. This is the frustrating part about it, and we think that it's time that the medical people that are working on these panels have some guidelines established, some principles of law, and some basic principles of operating, so that the claimants will be able to understand and be able to get a square deal. We likewise agree that they are not presently getting that from medical panels, and we don't criticize any particular doctors in this thing, I think it's a matter of habit, it's a matter of probably leaning more on the Workmen's Compensation medical people that have been there for many years, it's a habit on their part. We have the same type of hang-up with that type of treatment there, and hopefully we'll be able to get it into that after the session, and this committee should be able to deal with that as well.

I think, gentlemen, that's about all that I have to say on this tonight. We appreciate the fact that this is a good bill, it's progress, and we're looking for a little further improvement in the next year with the help of this Advisory Committee. Thank you, Mr. Chairman.

MR. CHAIRMAN: Thank you, Mr. Coulter. Mr. Doern.

MR. DOERN: Mr. Chairman, I just wanted some clarification here from Mr. Coulter. He said at one point that everyone - and I'm not just, maybe he could clarify this - he said everyone receiving disability, workmen's allowances, etc., etc., should receive at least the minimum wage. What did you mean by that? You mean even partial payments, etc., etc.

MR. COULTER: Yes.

MR. DOERN: You mean a minimum as far as you're concerned is the minimum wage?

MR. COULTER: Well if a person can't work because of an industrial accident and . . .

MR. PAULLEY: Has total disability.

MR. COULTER: Yes, has total disability, or if he's got a partial disability and there's some earning in there, at least it should be, come to that point, you know.

MR. DOERN: I'm not aware of this but what is it under the present system - you're saying then it's possible for someone to be fully disabled and to receive less than the minimum wage?

MR. COULTER: To get \$175.00 a month . . .

MR. DOERN: Right.

MR. COULTER: . . . and we're suggesting to you that the minimum wage now proposed, or I guess it's implemented now or in the process, will produce \$400.00 a month, so that by bringing the 175 to 250, it's still a considerable distance from minimum wage, and if you want to be so mean as to suggest that they have to reduce that minimum wage by 75 percent, it would mean \$300.00 so that the 250 is still less than the compensation factor on a minimum wage.

MR. DOERN: Do you have any idea of how many millions of dollars this would require from the business community or the Government?

MR. COULTER: Well naturally we can't tell you, you can only see what's happened, the cost that's anticipated with this one - and we've suggested, we've done it before, that the fact

(MR. COULTER cont'd) that the reserve funds are going to produce a considerable amount of surplus in any case, and which goes some way to pay for these. At the same time, we suggest that it is not unfair to assess the employers for the cost of maintaining disabled workmen. If their principle in the outset was to insure against loss by having this system, then surely they should be prepared to pay the cost as it goes along.--(Interjection)--Well that's what we said and, you know, just as Roach stated this - and he's much more learned than I am - and if a person like that recognizes it--(Interjection)--Well, that's right. Then God, we're in a whirl, everybody's got greater expectations - and wages are higher, profits are higher, why should the poor guy that's been injured not have a part of this, you know. And I say again, that the people that are on veterans' pensions have now got theirs based on this principle; that they are going to be based on the principle that they will be able to maintain their respects in the community with their neighbours because their pensions is going to be based on an average of, I think it is five wage categories of civil servants - and that's in the lower classifications of civil servants, labourers and this type of thing. So that that's a principle I think that is fair. And you've got some product of it here with injured workmen; they have no dignity left, that's one of their problems and we think it's about time that that was recognized.

MR. DOERN: So you are arguing then that the minimum payment for full disability should be the minimum wage?

MR. COULTER: Yes.

MR. DOERN: Right. And of course since it's tax free, it would be lower than the minimum wage, but it would be in effect the equivalent. Are you relating that in your own mind because of a broader principle that all people on pension should have at least the minimum wage? Or do you not relate it to that as well?

MR. COULTER: Well, you know, I think that that can naturally follow. I haven't gone too much further with it. I think I've gone a little beyond that when I make reference to veterans' pensions.

MR. DOERN: Mr. McCormick appeared to make a fairly strong argument that the Government should contribute to this \$10 million, but you reject that. Can you just expand a bit on that, as to why you believe that this cost should be fully borne by business and not shared in by the Government?

MR. COULTER: Well I take the position, and the labour movement has taken the position for years that this is a self-insuring program designed by employers to protect them - and particularly protect them against pretty substantial general damage claims. And if that is so, then they should be prepared to pay for it and maintain a system that is somewhat reasonable so that the people that have some respect maintain their own respect, I suggest, in the process; and if it's going to cost them more money, it's going to cost them more money. Just as Roach says, it doesn't come out of their pockets anyhow, it comes out of the system, and what's wrong with that? Why should the taxpayers have to pay? You know, it's as broad as it is long really in some respects. I would suggest to you probably the general population would be on our side in this respect, that they wouldn't want their taxes raised to pay for this extra cost, they'd sooner see the employer do it. They may have to pay it through consumer and prices, but I think that that would be the natural result following the thing through.

MR. CHAIRMAN: Mr. Patterson.

MR. PATTERSON: Well, my question relates to the medical procedures. I was just wondering if the Federation would disagree or agree with the position of the Injured Workers' Association in regard to the Medical Review Board, the doctors and all the ramifications of that particular procedure.

MR. CHAIRMAN: Mr. Patterson, I would ask you to confine questions to the brief made by the person appearing before us. When you start asking for opinions on other briefs you're starting a new area of discussion.

MR. PATTERSON: Mr. Coulter mentioned it in his discussion, and he did mention the Injured Workmen's Association, but I can ask the question; Does the Federation agree with the present procedures of the Medical Review Board, the selection of the doctors and all the ramifications of that particular procedure?

MR. CHAIRMAN: That's in order.

MR. COULTER: Well, Mr. Chairman, and gentlemen, we haven't been denied a medical panel . . .

MR. PAULLEY: That's right. Neither has anybody else.

MR. COULTER: . . . and I suggest to you that we don't rely on a doctor to ask for it, we ask for it and we get it - that's providing you go through the other processes first. We're quite pleased with the way that the department is now being administered because the claims are dealt with by competent people, I would suggest, in the department; when there is a request for it to be reviewed, it's reviewed by a special review committee, another group of civil servants, and in this way you start to work the thing down. If you're not satisfied with that end result with the administration, you can appeal it to the Board; and if you're not satisfied there, if you think it's on a medical basis, you can ask for a medical panel and you'll get a medical panel. I had the experience of asking for one, and I took the prerogative to pursue the matter to see whether I couldn't have a hearing with the medical panel myself, and I was afforded that. That's the case I'm reciting to you; that I think that they came down with the wrong decision, because we had ample evidence that they should have in applying proper justice, and I think justice was denied in this particular case and the Board simply rubber-stamped the medical panel's decision. We want to take this to the courts I think, or legal opinion - I would prefer not to take it to the courts, but I hope we can get some co-operation with the Government that we can have it analyzed by legal people. You know, we've discussed it with the medical profession, they're interested in looking at it, because I don't think that the medical profession themselves and the people that are being involved have had any real opportunity to get an understanding what the principles of the Act are, what rights the employee has - this type of thing - and particularly the legal aspect as to whether common justice is being applied. And hopefully with this exercise, if you've got an advisory committee, that we can get some legal assistance in this regard; and hopefully to get some conduct established and principles recognized with medical panels so that the workmen will at least get a little better hearing, and the decisions will be based on a little better proposition than they are at the present time.

MR. CHAIRMAN: Mr. Sherman.

MR. SHERMAN: Thank you, Mr. Chairman. Mr. Coulter, the labour community that you represent obviously feels that it enjoyed a much more open communication with the Minister of Labour on this bill than it did on Bill 33, the Power Engineers' bill. There's no signs of the secret society in operation on this one.

MR. PAULLEY: Thank you. I appreciate the thought. I appreciate your comments, and I'm so goldarn used to them that they don't disturb me at all.

MR. COULTER: I'll respond to that.

MR. CHAIRMAN: Order. Mr. Coulter, one moment. May I ask the co-operation of the committee members to stick to questions and leave the personal battles to the House.

MR. SHERMAN: Exactly, exactly, Mr. Chairman. I'll follow your admonishment. The Minister of Labour seems a little sensitive to this kind of interplay, it occurs very frequently at Committee and I think . . . but I'll follow . . .

MR. PAULLEY: And religiously as far as you're concerned.

MR. SHERMAN: Mr. Coulter, you've touched on a number of interesting points, one of them in particular was your reference to the role and the concept of workers' compensation. I would like to ask you whether you feel that to some degree it has had a stigma of, if I can use that term, a stigma of welfare programming attached to it rather than insurance programming, which it is intended to be. Do you feel that perhaps the image has been sullied to a certain extent by some of the approaches and some of the arguments brought to bear on the whole question of workmen's compensation?

MR. COULTER: Well, you know, you relate it to welfare. I suggest to you that a lot of people that are caught up in this system have to relate to welfare to get some fair treatment. This is the problem. But I think in fairness, that the legislation today has been amended considerably to take care of the type of situations that we've been talking about. They're not happening today, they don't have to happen today, because we have recognition of pre-existing conditions. We have recognition that compensation is based on wage loss as well as clinical rating, this type of thing, so that that would have taken care of a lot of these people that are now injured workmen, or in that society. I might, while I'm at it, say that many of them are our members, have been our members and continue to be, and there's no . . . thought on our part to disassociate from them. We've been trying to help them in every way.

MR. SHERMAN: Would you feel that there might be some merit in a contributory scheme, even just on a token basis, from working people to Workmen's Compensation as a method of underscoring and reinforcing the concept of it as insurance rather than as welfare programming?

MR. CHAIRMAN: Mr. Sherman, I would ask you to try to confine your questions to clarification of the brief, please.

MR. SHERMAN: Well, I'll skip that question then, Mr. Chairman. But I just might say that I think it relates to what Mr. Coulter had to say about the concept of an insurance program, of workers' compensation being an insurance program. I just wonder what might be done to reinforce that concept. I know the Minister of Labour has considered the . . .

MR. PAULLEY: But not in this bill at this time.

MR. CHAIRMAN: Order.

MR. SHERMAN: No. Well, Mr. Chairman, I was interested in your comments about the Injured Workers Association and its particular role. Mr. Coulter, I would like to ask you through the Chairman, if there are some additional things that the trade union movement, the labour community feels might be done for the Injured Workers Association, whether it's a situation that has to be a write-off. I know you've told us some of the things that you've attempted to do for the Injured Workers Association and you've suggested that these efforts have not met with any success. Well, do we have to conclude from that that now the Injured Workers Association have to be written off?

MR. COULTER: No, I wouldn't write them off at all. I think we have to do something for them, and I've suggested to you what you could do for them in this bill, by amending the change that was effective July, 1972 so that it could be retroactive and deal with cases that were on claim prior to that date, or accidents or injuries arising prior to that date. Then I think you could be really doing something for the problems and this group of people.

MR. SHERMAN: Yes.

MR. COULTER: I don't see how you can do it otherwise. Now I can tell you that I spend a lot of my time talking to people of this nature. I have one chap, I've worked for him and we've got him 100 percent pension because he was deemed to be unemployable. But he's still got a serious neurotic problem. I hear from him every week. I heard from him this morning and I tried to pacify him. Hopefully there is something that will come out of this particular situation - and he's not one of the real problem ones because we were able to do something for him. You know, we got him 100 percent, but the fact is that he's not able to live the same way that his neighbour is living. He works at Canada Cement; he lives across the street from this Canada Cement; the next door neighbour works alongside of him, you know, and his wages today are maybe up around 9,000 \$10,000. This chap is getting somewhere around \$300.00 a month - you know, 3,600 - and the other guy is up around nine. There is the difference in a period of time, you know. Now that guy is going to get a 25 percent increase in his compensation, so his 300 is going to go to what? 375 or something like that, 380, but that's a long way from 9,000 a year, you know. That's the situation.

MR. SHERMAN: So you're saying that what on the surface maybe appears to be a hopelessness of a neurotic condition where an injured worker is concerned, where this neuroses problem you've described exists, is not really a hopeless situation. It can be remedied through the Act, through the Bill itself.

MR. COULTER: That's right. And I would like to go a little further. I think that we have to recognize as well, there's provisions now in the legislation which are new for rehabilitation. Because a person is relatively unemployable, I think that that person needs help. I can see the role of the employment of a social worker, somebody that understands the human element, to try to get his situation rationalized so that he can live with it. This doesn't come by itself. That's an area I think that could be quite well recognized and do something for these people as well. I want to say again that the legislation now is going to prevent a lot of these from happening, it's been changed. I might say while I'm at it, that we have been supplying the Minister with a lot of detailed information, suggestions on recommendations for improvement in this compensation field. It's taken quite a long time for it to come, and digest, and from up here; we've been patient, we're getting it. I'm going to give you a copy of our submission, which was very extensive, to the Industrial Relations Committee in 1971 that'll help you understand.

MR. SHERMAN: I appreciate that. Thank you. On the question of the cost of upgrading pensions . . .

MR. CHAIRMAN: Mr. Sherman, could you hold your question for a minute? The tape has to be changed and we wouldn't like your remarks lost to posterity.

MR. PAULLEY: The same old song can go on, but the tape has to record that same old song.

MR. CHAIRMAN: Gentlemen.

MR. PAULLEY: No, I'm being very affectionate because I'd love to hear him sing.

MR. SHERMAN: I think there are a couple of files out there full of yours, Russ.

MR. PAULLEY: That's right.

MR. CHAIRMAN: Mr. Sherman, will you proceed?

MR. SHERMAN: Thank you, Mr. Chairman. Mr. Coulter, on the question of the cost of upgrading pensions, I just want to be clear on one point. You're suggesting that you think that cost can be borne entirely from the reserve fund of the Compensation Board at the present time, and that there would not be any current new levy necessary on employers. Is that what you're saying?

MR. COULTER: I would say that - and I feel assured myself - in my examination of the funds and the manner in which they seem to operate, unless they have completely changed what I call ultra-conservative actuarial standards, then there will be considerable surplus there. They've put dollars away to take care of a particular situation for an injured workman, and I was able to produce last time, even using a six percent figure, that the Compensation Board doesn't even have to get into the principal that's sitting there idle because they're getting more than six percent on their investments. The pension being paid to that individual didn't amount to six percent of the money that was set aside - by the CPR, by the way, in the case that I was referring to - so that we think that these funds can generate good returns. I think it's being improved day to day - it should, because the interest rates are going up all the time; the last couple of years it's considerable. We took some study into it two years ago, and we had the projection. I'm suggesting right now that I think if this was looked at, and realistically, that the returns from the present funding is sufficient to take care of even these improvements that you've got here.

MR. SHERMAN: So you don't, you know, hold to the suggestion that has been made to me, and perhaps made to you and dismissed on the basis of your evidence - you don't hold to the suggestion that the compensation program is under-funded and that there is some danger of its running out of funds?

MR. COULTER: No, I don't think that that's the experience at all. The actuarial study the last time it was done, I just gave you the figure, that there's a \$4 million surplus. Conditions have been considerably improved since that time as far as return on those funds, so that there's no way that it can be in trouble.

MR. SHERMAN: Thanks, Mr. Chairman.

MR. CHAIRMAN: Mr. Johnston.

MR. GORDON E. JOHNSTON: Mr. Coulter, I've heard the answers to most of my questions, but I have one. I think you expressed some dissatisfaction with the operation of the Medical Review Board. Is that correct? Do you have any suggestions as to how that could be improved?

MR. COULTER: Yes, I think I went into that. I think that we have to - and we've really started it already - we have asked the MMA to meet with us and to discuss the question of the medical practitioner's role, firstly with compensation generally, and then with the question of medical panels. The MMA name the people to these panels. It's one thing to name people to a panel but what is given to them in the way of information instruction, if you will, how to function? What are the principle backgrounds of these things? We have cited legal cases and precedents established in this field to indicate that the practice they are following now is not right according to those precedent cases in law. Now we have had a number of judicial inquiries into compensation across the country over the years, and these gentlemen, these learned gentlemen, continue to make principle statements that are not being respected by the medical panels, and it's that area, I think, that we have to try to get some understanding and establish some basic principles which they will appreciate and follow, and that the injured workmen, the legislators, will understand as well as to how they do function and what these principles are, because I don't think that there's anything there now.

MR. G. JOHNSTON: Mr. Coulter, do you feel that - and I go by your remarks that you seem to be dissatisfied with what is going on but you still place your trust completely in the MMA for this particular duty - do you feel that there's room for others on that board, such as a physiotherapist or a chiropractor?

MR. COULTER: Oh I think we've made that point in some of our submissions to the Government, that when there is a question of involving a chiropractor there should be at least one chiropractor on that medical review panel and any type of specialty should be covered. Now the MMA do that with any particular case - they assign people that are professionals in that field. But when you go beyond their particular field, that is not being done and that's the area I think that we agree with the injured workmen, that that has to be cushioned a little by the fact that there's some input and appreciation from the other professional so-called point of view.

MR. CHAIRMAN: Any further questions? Thank you, Mr. Coulter. Mr. Ernie Keller, Winnipeg Builders' Exchange.

MR. KELLER: Mr. Chairman, I think we mailed copies of our presentation. I have some extras here.

MR. PAULLEY: I don't think they've been received. I was informed that there were some coming but I don't think they reached my office or the Clerk's Office.

MR. KELLER: They were mailed two weeks ago.

MR. PAULLEY: That must have been during the strike, Mr. Keller. Oh excuse me, Mr. Keller, I received mine. May 29 is the dateline of it.

MR. CHAIRMAN: Would you proceed, Mr. Keller.

MR. KELLER: Mr. Chairman, committee members. As you see, our brief is short and at this late hour I would like to make it very brief.

The construction industry is recognizing and supporting Workmen's Compensation as an insurance program, and we strongly feel that improvements and upgrading is necessary in this day and age of an insurance program of this nature, but we strongly object to any retroactivity as proposed in Bill 44 to be subsidized by our industry.

Our industry tenders on firm prices and we like to see this program to remain. As far as we are concerned we paid our assessment. If it was high or low that's a different question, but we paid. We cannot and will not accept a system where we have to go back several years and come up with additional funds.

I would like to point out to you, gentlemen, that last year we had fourteen bankruptcies in the construction industry due to ridiculous price increases and, in plain language, due to inflation. Now we don't believe to shove all responsibilities and use inflation as a cause or excuse for whatever comes up today. We also believe that it is high time to quit the approach of passing the buck from one to the other. There has to be a better way and a better solution than what we're going today.

We also feel that if additional funds . . . are necessary, they should be made available through other sources than go and collect back taxes - really that's what it will be - from employers.

Re stating of high profits of management. It's so easy done to brush everyone with the same brush. Our industry, especially here in Manitoba, is put together from a lot of small firms, a lot of sub-contractors, a lot of small manufacturing in the construction industry. Just visualize yourself to come with assessment where people make a fair living, make a fair profit, come back now and hit them for more dollars. What are we doing there? Are we achieving anything? No, you're discouraging an industry which is trying to create a better life in this province.

Also in Section 66 (2.1) the proposed procedures of going backwards or assessing people who are out of the business and so on . . .

MR. PAULLEY: Mr. Keller, that is going to be deleted.

MR. KELLER: I thank you very much. I didn't know this. Because we could not see by all means how this could ever be done.

MR. PAULLEY: Well, at least, Mr. Chairman, if I may to Mr. Keller so that he is not unconversant with that, I am suggesting that it be deleted. I don't know whether the committee would agree with me or not, Mr. Keller, but I agree with you that it will be deleted - or should be. Okay?

MR. CHAIRMAN: In other words, the Minister is going to propose an amendment to delete this.

MR. PAULLEY: Or have somebody do that. I can't, but anyway it will be done, Mr. Keller, that section will be deleted, I hope.

MR. KELLER: Gentlemen, just to conclude; I feel and the industry feels, that we should have improvements to the workman who gets injured and has to be looked after. I would like this to be recognized. We also like to see that the person like this has a fair living and a fair way in our society, but we strongly object to these proposals which were put forward in Bill 44. We feel that there are better ways and means of doing so and I hope that this committee will realize this; that if you are talking about inflation and our economical situation that was mentioned so often tonight, I am sure that there is no government left any more today who can cope with it on their own and there is no industry left who can do it on their own. It has to be on a parallel basis, and I'd say that we're prepared to do our share providing that we all pull on the same rope. In very plain, simple language, Mr. Chairman, that's all I have to say.

MR. CHAIRMAN: Thank you, Mr. Keller. Are there any questions? The Premier.

MR. SCHREYER: I would like to ask Mr. Keller, would he have an idea, very roughly, as to how many years the Builders' Exchange has been in existence?

MR. KELLER: Just about a hundred years.

MR. SCHREYER: It was in existence for the past ten at least.

MR. KELLER: That's right.

MR. SCHREYER: Could you indicate if there were any objections raised on those two previous occasions when there were some retroactive adjustments made on disability benefits?

MR. KELLER: Mr. Chairman, to my knowledge, as long as I'm involved, I'm opposing retroactivity in any shape or form. I feel that that is always the easy out and we're not trying to cope with the crux of the matter. I don't know what happened before my time, but as long as I'm there I strongly oppose this.

MR. SCHREYER: Thank you.

MR. PAULLEY: I wonder now, Mr. Chairman, whether we're prepared to consider the bills. There are two bills before us . . .

MR. CHAIRMAN: Thank you, Mr. Keller.

MR. PAULLEY: . . . Bill No. 33 and Bill No. 44. Now in respect of Bill No. 33 - and you may recall, Mr. Chairman, there was some controversy the other night in respect of that bill - I do want to say, and I don't know, we did hear representations on 33 ahead of 44, and I don't know whether it's your pleasure or the Committee's pleasure, Mr. Chairman, to proceed with 33 and then 44. If a decision is made to proceed with 33 I would like to indicate to the Committee certain things that have happened since our meeting of the other evening so that the Committee is up-to-date of where the situation stands at the present time.

MR. CHAIRMAN: Is the Committee agreed, then, to start with consideration of Bill 33? Fine.

MR. PAULLEY: Mr. Chairman, I did distribute to the members of the Committee copies of a letter that I had received from Mr. Coulter in respect to Bill 33 and also a documentation which sort of gave a synopsis of the background, and for the information of the Committee I want to say that I have had, the Premier and I had a meeting with the objectors to the bill, and that on further consideration as the sponsor of the bill, I am suggesting certain amendments to the bill which I feel - and I'm not prejudging the disposition of the Committee - but I feel that may overcome some of the - what I may term "misunderstandings" that were prevalent the other night in respect of Bill 33; and the general suggestions are, if I may, Mr. Chairman, because I can't propose the amendments, the general suggestions are that rather than appeal to the courts as contained in the present proposed bill, that we do establish the Advisory Board or Committee - I'm not hung up on what it is called - that the Advisory Committee be appointed, not by the Minister, but by the Lieutenant-Governor-in-Council, and will provide for representation including both labour and management and that that board or committee will also act as a hearing agent rather than an actual appeal board, but as a hearing agent to consider any withdrawal of certification of an employee or close down of a plant because of its inefficiency, and then a hearing can be held by that particular board and then it can make recommendations as to whether or not the withdrawal of the certification or the closing down of the plant should be continued or otherwise.

So we take it out of the hands of the court, we ask the Advisory Board to consider the appeal, and in the final analysis the Minister would be the authority. I'm sure that you gentlemen will agree with me that the Minister would rely very, very heavily on the expertise of the boards because at least the present Minister, being an upholsterer, wouldn't be

(MR. PAULLEY Cont'd) knowledgeable of the matter of operating engineers and would, if he has any common sense, rely on the expertise.

In addition to that, Mr. Chairman, a matter arose during the consideration of the bill the other day, as to the regulations. In a paper which I distributed today to members of the Committee, I indicated that before the regulations are handed over to the Lieutenant-Governor-in-Council for passage by Order-in-Council, that I gave an undertaking that there would be consultation with all parties concerned in connection with the bill, that before the regulations are formulated there would be ample opportunities for hearings by the representations or consultations with the parties concerned. Also, Mr. Chairman, I do point out to my colleagues, members of the Committee, that before the bill is proclaimed - the bill comes into operation on proclamation - and that before the bill is proclaimed, the regulations will be formulated after due consultation.

Now it does appear to me, Mr. Chairman, that in some discussions that have been held, that this meets the general satisfaction of all concerned, and so if it is the desire of the Committee to proceed, I recommend for the consideration the proposed amendments to Bill 33, which I again emphasize, Mr. Chairman, seems to overcome some of the difficulties that were encountered the other night.

MR. CHAIRMAN: Can we proceed page by page until we come to the amendments?

MR. PAULLEY: And I wonder, Mr. Jenkins, because I am precluded from introducing the amendments . . .

MR. CHAIRMAN: Page by page?

MR. PAULLEY: Yes. Also, Mr. Chairman, Mr. Reeves has some explanatory notes. Basically what I've said are by the notes for your files.

MR. CHAIRMAN: All right. Page 1 -- pass.

MR. PAULLEY: Oh, just one other little thing, just for the clarification of the Committee rather than -- it's in the legislation; it's also an understanding that the board that is set up, or committee, whatever the devil you want to call it, will not necessarily include, or as far as I am concerned will not include departmental people who may be the directives of the board. It will be a board of three or five at the will of the Lieutenant-Governor-in-Council, some people divorced from the department directly. Of course, they will be consultants.

MR. CHAIRMAN: Agreed? Page 2 pass. Page 3 - there's an amendment.

MR. JENKINS: Mr. Chairman, I would move that subsection 7(1) of Bill 33 be amended by striking out the word "and" where it appears at the end of clause (2) and again at the end of clauses (b) and (c) thereof. (Agreed)

MR. CHAIRMAN: Page 3 as amended - pass. Page 4 - pass. Page 5 - there is an amendment.

MR. JENKINS: Mr. Chairman, I would move that subsection 9 (3) of Bill 33 be amended by striking out the words "under this section and the disposition of the suspension" in the last line thereof, and substituting therefore the words "and the making an order under section 10".

MR. CHAIRMAN: Agreed?

MR. PAULLEY: . . . will be a new section 10, then.

MR. CHAIRMAN: Agreed? (Agreed)

MR. JENKINS: Third motion. I move, Mr. Chairman, that section 9 of Bill 33 be amended by striking out subsections (4) to (8) thereof.

MR. PAULLEY: That deals with the question of the hearings which will be referred to the so-called board.

MR. CHAIRMAN: Page 5 as amended - pass? (Passed)

MR. JENKINS: Mr. Chairman, I would move that Bill 33 be amended by striking out section 10 thereof and substituting therefor the following section: 10 (1) "Board" defined. In this section, "board" means the board for which provision is made in section 15.

MR. PAULLEY: By way of explanation, Mr. Chairman, this is a board that I made reference to insofar as the hearing of grievances and the likes of that.

MR. JENKINS: Do you want me to carry on?

Hearing.

10 (2) Any person

(a) who is served with a notice of refusal under section 8, or a notice of suspension under section 9; or

(MR. JENKINS Cont'd)

- (b) who feels aggrieved by
 - (i) anything done by the minister in exercising his power under this Act;
 - or
 - (ii) any provision of a regulation made under this Act;

may, within 15 days of the doing of the thing or the making of the regulation, as the case may be, apply to the board for a hearing under this section.
Counsel.

10(3) Any hearing for which application is made under subsection (2) shall be held as soon as practicable, and any party affected by the matters to be dealt with at the hearing may attend or be represented thereat by counsel and be heard.
Report and recommendations.

10(4) As soon as practicable after the holding of any hearing under this section, the board shall furnish the minister with a written report of its findings and recommendations.
Order.

10(5) The minister, upon receiving and after giving consideration to any report furnished under subsection (4), may make such order with respect to the matters dealt with in the report as he deems fit.
Order final.

10(6) Any order made by the minister under subsection (5) is final and binding.
I so move, Mr. Chairman.

MR. CHAIRMAN: Motion 4 as read - passed? (Passed) Page 6 as amended - passed.
Motion 5 as on page 7.

MR. PAULLEY: Well there's certain sections there, Mr. Chairman, sections 11, 12, 13 (1) (2) and 14 will have to be approved by the Committee.

MR. CHAIRMAN: We're going page by page. Mr. Jenkins.

MR. JENKINS: Mr. Chairman, I move that section 15 of Bill 33 be struck out and the following section substituted therefor.
Appointment of board.

15. The Lieutenant-Governor-in-Council shall appoint persons, including representatives of employers and representatives of employees, to a board to advise the minister on matters relating to this Act, and to hold the hearings for which provisions is made in section 10.

MR. CHAIRMAN: Agreed? Motion No. 5 passed.

MR. SHERMAN: Mr. Chairman, there's just one question in my mind, as it applies to the Board. Is that at the pleasure of the Lieutenant-Governor-in-Council or . . . ?

MR. PAULLEY: I would suggest, though, Mr. Chairman, I believe that this is generally understood as indeed the actual numbers of the members on the Board, Mr. Chairman, may I say to Mr. Sherman, in section 15 as suggested, no reference is made to absolute numbers. The general trend would be to somewhat similar to what was suggested with the Civil Service Commission, about five, so that there is room for representatives of employees, employers, possibly the engineering profession itself, and when the regulations - at least I make this as a suggestion, and I can't make a firm commitment because Lord knows who's going to be the minister when the regulations come in, but I would suggest that the chairman would be chosen or at least recommended by the people concerned so that we have as impartial as possible board. That's the general thought and I'm sure that my friend from Fort Garry would give us his support to a general undertaking of that.

MR. BILTON: He's your friend now, is he?

MR. PAULLEY: Well you always are. I referred to you as my friend in the Legislature. As a matter of fact, I'm not sure whether it wasn't your father that confirmed . . .

MR. CHAIRMAN: Order. I think we're departing a bit from the bill here.

MR. SHERMAN: Mr. Chairman, may I just say that I hope the minister is the minister when the regulations come in, referring to the question he raised a moment ago.

MR. CHAIRMAN: Your kind wishes are, I'm sure, accepted.

MR. PAULLEY: You know we're going whacky at this time of night.

MR. CHAIRMAN: Page 7 as amended -- pass; Page 8 as amended -- pass; Page 9 -- pass. Mr. Paulley.

MR. PAULLEY: Mr. Chairman, if I may -- (Interjection) -- No, it deals with the title.

MR. CHAIRMAN: We haven't got to that. Preamble--pass; Title--Mr. Paulley?

MR. PAULLEY: There were representations made on this, Mr. Chairman, and quite frankly I went over every darned piece of literature that I received. It's comme ci comme ca, and possibly at the start off we could leave the title of the bill the way it is at the present time. In assessing the communications it seemed the majority of the individuals that were concerned did not object to the present title so maybe we could, if it's agreeable, retain that and let the chips fall where they may.

MR. CHAIRMAN: Title--pass? Mr. Sherman?

MR. SHERMAN: Certainly up to this point, Mr. Chairman, but for the record I might say that there might be amendments introduced on third reading. But in the interests of moving the bill through this stage, we are not introducing any amendments.

MR. PAULLEY: Okay.

MR. CHAIRMAN: Title--pass? Mr. Doern.

MR. DOERN: . . . there was concern expressed by the Professional Engineers' Association, and I don't know if it would be in the form of a suggestion or a hint but I think it would be ill-advised if the power engineers used as an abbreviation the designation P. Eng. because that would in effect then cause some confusion.

MR. PAULLEY: Well I don't know about P. Eng. and the likes of that. All I'm saying, Mr. Chairman, was that I considered the representations that were made and I just made a suggestion to the Committee that, as I read the representations from all parties concerned, I found that more seemed to be inclined to the suggested title than there were otherwise.

MR. DOERN: Well my point is simply this: that the professional engineer uses the abbreviation "P. Eng." and I don't object to the proposal of power engineers but I think it might be an objection if they then used as an abbreviation "P. Eng."

MR. CHAIRMAN: Title--passed; Bill be reported.

BILL No. 44

MR. CHAIRMAN: Bill 44.

MR. PAULLEY: There are amendments suggested to that bill.

MR. CHAIRMAN: Have the amendments been distributed?

MR. PAULLEY: I believe they have been, Mr. Chairman.

MR. CHAIRMAN: Can we proceed page by page? Page 1 - there's amendments.

MR. JENKINS: Mr. Chairman, I would move that Section 4 of Bill 44 be amended by striking out the words and figures "deemed to be a workman under subsection 62(4), the government or other person declared to be an employer" in the third and fourth lines thereof, and substituting therefor the words "declared to be a workman". And I so move, Mr. Chairman.

MR. PAULLEY: Tidying up of the bill, Mr. Chairman. I believe that's correct.

MR. TALLIN: That's right. This was, an error on my part.

MR. CHAIRMAN: Motion No. 1 -- passed. Page 1 as amended -- passed.

MR. TALLIN: The same with the second amendment. It's also an error on my part.

MR. PAULLEY: We're really confessing our sins tonight, aren't we?

MR. CHAIRMAN: Page 2 - there's an amendment.

MR. JENKINS: Mr. Chairman, I move that Section 6 of Bill 44 be amended by striking out sub-clauses (x) and (xi) therein and substituting therefor the following clause: (x) a person or a member of a class of persons declared to be a workman under subsection 62.1.

MR. PAULLEY: There was a redundancy there.

MR. CHAIRMAN: Motion No. 2 -- passed. Motion No. 3 on Section 9.

MR. JENKINS: Mr. Chairman, I move that subsection 2(6) of The Workmen's Compensation Act, as set out in Section 9 of Bill 44 be amended by adding thereto, immediately before the word "volunteer" in the first line thereof, the word "municipal".

MR. PAULLEY: That's to clearly delineate that we're talking about volunteer municipal firemen.

MR. CHAIRMAN: Motion No. 3 -- pass? Page 2 as amended -- pass? Page 3, there's an amendment, Motion No. 4.

MR. JENKINS: Mr. Chairman, I move that the proposed subsection 25(1) of The Workmen's Compensation Act as set out in Section 14 of Bill 44 be amended

(a) by adding thereto, immediately after the word "dies" in the first line thereof, the words and figures "before January 1, 1974"; and

(b) by striking out the words and figures "injury occurring before January 1st, 1974" in the first and second lines thereof, and substituting therefor the word "accident". I so move.

MR. PAULLEY: May I explain, Mr. Chairman, on this? This deals with a very peculiar type of an accident that occurred in the CPR, as a matter of fact, where a worker was injured on I believe it was the 15th of December, as the result of a fire at the lye vat, a vat in the CPR Weston Shops. There hadn't been any indication of the extent of the injury. As a matter of fact, it appeared as though he may live for a little while, and on the 5th of January unfortunately he passed away. The original wording of the Act would have precluded the wife from being able to receive the new benefits of 75 percent of his pension, and on consideration - I'm sure my colleague or friend from Fort Garry is also aware of this case - that on consideration it was felt that it would be most unfair because there hadn't been an assessment of this that she should be deprived of the benefits, and that's the reason of the change in the wording of this section.

MR. CHAIRMAN: Motion No. 4 -- pass? Mr. Sherman.

MR. SHERMAN: . . . acknowledge the Minister's dealing with that particular section, Mr. Chairman, just for the record, because it was brought to the attention of himself and of my caucus and we discussed it, and he has removed the anomaly, so I want to acknowledge that for the record.

MR. CHAIRMAN: Motion No. 4 -- pass? (Agreed) Page 3 as amended -- pass. Page 4 -- pass. Page 5 - we have an amendment. Motion 5.

MR. JENKINS: Mr. Chairman, I would move that the proposed subsection 25.1(1) of The Workmen's Compensation Act as set out in Section 15 of Bill 44 be amended.

(a) by adding thereto, immediately after the word "dies" in the first line thereof, the words and figures "after December 31, 1973"; and

(b) by striking out the words and figures "injury occurring after December 31st, 1973" in the first and second lines thereof, and substituting therefor the word "accident". I so move, Mr. Chairman.

MR. CHAIRMAN: Motion No. 5 -- pass? Page 5 as amended -- pass? Page 6 - Mr. Jenkins.

MR. JENKINS: Mr. Chairman, I would move that the proposed subsection 25.1(2) of The Workmen's Compensation Act, as set out in Section 15 of Bill 44, be amended

(a) by adding thereto, immediately after the word "dies" in the first line thereof, the words and figures "after December 31, 1973"; and

(b) by striking out the words and figures "injury occurring after December 31st, 1973" in the first and 2nd lines thereof, and substituting therefor the word "accident".

MR. CHAIRMAN: Motion No. 6 -- pass? Page 6 as amended -- pass. Page 7, there's an amendment.

MR. JENKINS: Mr. Chairman, I would move that the proposed subsection 27(2) of The Workmen's Compensation Act, as set out in Section 17 of Bill 44, be amended by striking out the letter "(c) in the third line thereof and substituting therefor the letter "(e)".

MR. PAULLEY: That's a tidying up too, is it not, Mr. Tallin?

MR. TALLIN: Yes, it was a wrong cross-reference. I think it was probably my writing.

MR. PAULLEY: Okay. I have difficulty reading mine too.

MR. CHAIRMAN: Motion No. 7 -- passed. Page 7 as amended -- pass. Page 8, there's an amendment. Motion No. 8.

MR. JENKINS: Mr. Chairman, I would move that the proposed Section 29 of The Workmen's Compensation Act, as set out in Section 18 of Bill 44, be amended by striking out the words and figures "subject to Section 30" in the third line thereof.

MR. CHAIRMAN: Motion No. 8-- pass? Page 8 as amended -- passed. Page 9-- passed. Page 10-- Mr. Paulley.

MR. PAULLEY: Yes, this is the one that I was thinking of. Mr. Jenkins, have you got that? That is dealing with the . . .

MR. JENKINS: Yes, but I can't move it.

MR. PAULLEY: Pardon?

MR. JENKINS: I can't move that. That's the money one, the money resolution.

MR. PAULLEY: Oh, that's the one that I have to move. Good Lord. Mr. Chairman, I would move -- can I amend my own -- No, I guess . . .

MR. TALLIN: I think the rule applies only when you're amending to change a principle that has been voted on.

MR. PAULLEY: I see. Because I did put in a message from His Honour on this. Then, Mr. Chairman, I would move that Bill No. 44 be amended by adding thereto, immediately after Section 25 thereof, the following Section:

Section 37(1) to be added.

37(1) In 1975, and in each year thereafter, the board shall, as soon as practicable after September 30, review the actual average earnings of workmen who suffered injury and to whom compensation was paid during the period of one year immediately preceding October 1 in that year; and, where the review reveals that the actual average income of 10 percent or more of those workmen exceeds the maximum average earnings by which the board is limited at the time of the review in making awards under this Act, the board shall, by order, increase the maximum average earnings mentioned in subsections 2(4) and 2(5) and Section 37 for accidents occurring on or after the January 1st next following by an appropriate number of increments of \$1,000 each as will be sufficient to reduce the number of those workmen who suffered injury and to whom compensation was paid during the period under review, and whose actual average earnings would have exceeded the increased maximum average earnings, to below 10 percent.

In other words, this is an escalator clause. As wages go up and it reaches that 10 percent figure, an adjustment can increase that \$10,000 upward by increments of \$1,000.00. This has been adopted, Mr. Chairman and colleagues, in the Province of Saskatchewan; I believe also in the Province of British Columbia.

MR. CHAIRMAN: Motion passed? Page 10 as amended -- passed. Page 11 - Motion No. 9.

MR. JENKINS: Mr. Chairman, I would move that Section 32 of Bill 44 be struck out.

MR. CHAIRMAN: Motion No. 9 -- pass? Page 11 -- Mr. Schreyer.

MR. SCHREYER: Mr. Chairman, just to be certain - this Section 32 that is proposed to be struck out. Is that the section which makes reference to the former employer being levied against?

MR. PAULLEY: That's right. Yes. Mr. Premier, that's the one I gave the undertaking to the representatives that that would be struck out.

MR. SCHREYER: You're deleting this in its entirety?

MR. PAULLEY: That's right. Additional assessments to take care of the situations contained there.

MR. CHAIRMAN: Motion No. 9 -- pass? Page 11 as amended -- pass. Page 12 - there are a number of amendments.

MR. JENKINS: Mr. Chairman, I would move that the proposed Section 100 of The Workmen's Compensation Act, as set out in Section 35 of Bill 44, be amended by adding thereto, immediately after the word "minister" in the third line thereof, the words "of labour".

MR. BOYCE: Why the hell don't you make that Minister of Public Works or something like that?

MR. CHAIRMAN: Motion No. 10 -- pass? Page 12 as amended -- pass. Page 13 - Motion No. 11.

MR. JENKINS: Mr. Chairman, I would move . . .

MR. SHERMAN: . . . your direction then, Motion No. 11 pertains to Section 38 and we would like to record opposition to Section 37.

MR. CHAIRMAN: Well we're coming to that. We're on Page 13 now so . . .

MR. SHERMAN: That's right, but where the motion deals with Section 38 . . .

MR. CHAIRMAN: You're right. Okay. Fine. Do you want to vote on 37?

MR. JENKINS: Do you want to move the deletion of 37? Is that your objection?

MR. SHERMAN: Yes.

MR. CHAIRMAN: You can vote on 37. I'll move the motion.

MR. SHERMAN: You're going to take Page 13 by sections.

MR. PAULLEY: Okay, that will be fine. That will accommodate the . . .

MR. CHAIRMAN: Okay. Section 36(2) -- pass; Section 36(3) -- pass; Section 37 -- pass?

MR. SHERMAN: No, Mr. Chairman. We don't subscribe to the principle embodied therein and I'd like a vote on that section.

A COUNTED VOTE was taken, with the result:

Yeas 5; Nays 3.

MR. CHAIRMAN: Section passes and your opposition is noted.

MR. PAULLEY: Right.

MR. CHAIRMAN: Section 38 - Motion 11.

MR. JENKINS: Mr. Chairman, I would move that Section 38 of Bill 44 be amended (a) by striking out the word and figures "section 15" in the first line thereof and substituting therefor the words and figures "sections 9 and 15"; and

(b) by striking out the words and figures "section 15 is" in the third line thereof and substituting therefor the words and figures "sections 9 and 15 are".

MR. PAULLEY: That's dealing with January 1st and July 1st, it is, Mr. Tallin?

MR. TALLIN: That's right.

MR. CHAIRMAN: Motion No. 11 -- pass? Section 38 as amended -- pass.

MR. JENKINS: Mr. Chairman, I would move that sections 33 to 38 of Bill 44 be renumbered as sections 32 to 37 respectively.

MR. CHAIRMAN: Motion No. 12 -- pass? (Passed)

MR. BILTON: Committee rise.

MR. PAULLEY: Come on, Jim. We've got two more motions yet. We've got to pass a motion to report the bill. You know that, Jim. You were Speaker once.

MR. CHAIRMAN: Order. Preamble -- pass; Title -- pass; Bill be reported. (Passed)

MR. PAULLEY: Committee rise, Mr. Chairman.

MR. BILTON: Oh, you had to say it, didn't you? (Laughter)