

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Thursday, May 6, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 85 students, Grade 11 standing of the Portage la Prairie Collegiate. These students are under the direction of Mr. Bills. This school is located in the constituency of the Honourable Member for Portage la Prairie.

On behalf of all the honourable members I welcome you here this afternoon. Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Radisson.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to present the second report of the Standing Committee on Public Utilities and Natural Resources.

MR. CLERK: Your Committee met on Thursday, May 6, 1976, to consider the Annual Report of The Manitoba Public Insurance Corporation for the fiscal year ending October 31, 1975.

Your Committee received all information desired by any member from the officers of the Corporation and the staff with respect to the Report.

By resolution of the Committee, the Annual Report of The Manitoba Public Insurance Corporation was adopted.

All of which is respectfully submitted.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move seconded by the Honourable Member for Emerson, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Member for River Heights.

ORAL QUESTIONS

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the Minister of Mines and Natural Resources. Yesterday I asked him whether the government had instructed the Manitoba Development Corporation to - the loan to the Tantalum Mines with respect to the negotiations with Chemalloy. He stated . . .

MR. SPEAKER: Question please.

MR. SPIVAK: Mr. Speaker . . .

MR. SPEAKER: It's all on the record.

MR. SPIVAK: He answered me that it is absolutely false. I wonder if he can indicate whether there was any direction given by the government to MDC to deal with the loan to Tantalum Mines.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the owners of the mine, representatives of Chemalloy, arranged to meet with me to discuss their problem in arranging finances for the mine. They met in my office - I believe that the MDC Chairman was there although I cannot recall particularly - and I advised them that they should attempt to make their financing arrangements through the Manitoba Development Corporation and that their application should be dealt with in the ordinary way, that the government was not pushing it one way or the other.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, to the Minister of Mines and Natural Resources.

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(MR. SPIVAK cont'd) I have the minutes of the Manitoba Development Corporation Board of Directors meeting of Tuesday, February 1st, 1972, in which it states, in dealing with the request for financing of Tantalum Mines that the Board would deal with the matter when directed by Cabinet. I wonder how the Minister can reconcile his answer with the minutes of the Manitoba Development Corporation Board of Directors meeting.

MR. GREEN: I don't know what the Manitoba Development Corporation decided. The Manitoba Development Corporation could indeed decide that they want some instruction from Cabinet. I am telling you that they were not instructed to make the loan. That is my understanding. Now, Mr. Speaker, the honourable member has read a date during a period when I was not a - or just about a period of which I was not a member of Cabinet. But I know that the people approached me; that I referred them to the Corporation and that the Corporation dealt with this matter in the ordinary way.

MR. SPIVAK: I wonder if the Minister can indicate whether Dr. Briant introduced the principals of Chemalloy to the government.

MR. GREEN: Mr. Speaker, my recollection is that it was the other way around, that they approached myself then I called Dr. Briant in as Chairman of the Manitoba Development Corporation telling him to take these people and deal with their application in the ordinary way.

I believe, Mr. Speaker, that at one time there was a by-law of the Corporation that they would not invest in mining companies and the Cabinet had to clear that hurdle. But the fact is that the Manitoba Development Corporation to my knowledge, dealt with that on the basis of it being a viable transaction having nothing to do with any Cabinet direction.

MR. SPIVAK: I wonder if the Minister can recollect, by way of a supplementary, and recall whether in fact he did not ask or the government did not ask the Manitoba Development Corporation to review the proposal from a business standpoint and provide their comments to the government for direction.

MR. GREEN: Mr. Speaker, that is not my recollection but I would not say that that did not happen. It could be that the Manitoba Development Corporation, in considering a matter, would decide to request some government indication but that would be their request not the request of the Cabinet.

MR. SPIVAK: I wonder if the Minister can indicate whether at the time of the transaction there was any request for any of the Members of the Board of the Manitoba Development Corporation to indicate whether at the time they had any shares in Chemalloy.

MR. GREEN: Mr. Speaker, that would be a matter for each board member to deal with himself as a member of the Manitoba Development Corporation Board. If the honourable member wishes any more information he can get it from the person who stole the minutes and gave them to him.

MR. SPIVAK: I wonder if the Minister can confirm that the government did not request any information as to whether there was any conflict of interest in the negotiations that were taking place on the part of any members of the Board of Directors.

MR. GREEN: Mr. Speaker, that is not the manner in which the Board of Directors deals with matters. To my knowledge, in my discussions with the board, any member having a conflict of interest declares it. There is no continual request made of board members for each loan: do you have any interest in the matter? Furthermore that is not the way it is done in this House, that is not the way it is done in any public agency that I have sat with or any private agency that I have sat with.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I wish to direct my question to the Minister of Health and Social Development. Before I do that perhaps I could take this opportunity to welcome the Minister of Labour back and we're very happy to see him back in the House.

Mr. Speaker, my question is to the Minister of Health and Social Development. During his Estimates he indicated that we'll have some 600, I believe it was, new beds - not acute beds - new beds in the province, personal care beds. Is it correct to say

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(MR. PATRICK cont'd)that there'll be 400 new beds over the next five years? Is that correct?

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, if my honourable friend can be patient for a minute I believe that my Estimates will be considered shortly and we are going on the Commission and we could discuss the personal care beds. I did announce that there would be new beds; actually I think the total beds would be close to 1,000, but I will give the list this afternoon.

While I'm on my feet, Mr. Speaker, again the same Member from Assiniboia asked me a question a few days ago. He wanted to know if there were any regional audiological centres in the Province of Manitoba screening the children or testing for hearing problems. There are no regional centres doing independent testing other than through the mobile hearing service that we have. The mobile van is operated by the Communications Disorder Centre of the Health Science Centre. Visits are scheduled for each region of the Department of Health and Social Development and such visits are co-ordinated by the regional offices. In addition the co-operative testing program follow-up activities are undertaken by public health nurses in the region.

Then there was a question from the Member for Fort Rouge re the investigating of the break-out of hoof and mouth disease or confirm if the authorities of the department are examining the potential danger of polio viruses. Well staff has been in touch with a Dr. Andrigh of the Federal Government Animal Diseases Branch in Winnipeg and he assures us that there is no outbreak of hoof and mouth disease that's taking place and that his office certainly would be alerted immediately. I think this comes up from a story that was in one of the local papers and there was a discovery of some live polio virus in the Ottawa River.

However, here in Manitoba there is a difference in immunization between here and Ontario. Manitoba uses live Sabin vaccine and Ontario uses some Salk vaccine. With the Salk vaccine it is possible for inoculated persons who are protected against the disease to still act as carriers. Apparently under the Sabin vaccine this does not take place and it helps to protect the community through an indirect immunization process.

Officials of the department are now collecting viruses and will be testing them. I'm also advised by our Dr. Snell that there is very little likelihood that there is any danger to the Manitoba public which he describes as highly immunized against polio.

The last question is a question that I haven't been able to get the answer. It was the: making an examination of the sludge in lagoons around the City of Winnipeg. I will try to get the information but it might be that the Minister of Mines, under whose jurisdiction it comes, might be able to answer, I'm not sure.

MR. PATRICK: Thank you, Mr. Speaker. I have a supplementary. I thank the Minister for his answer to my other question but again I have a supplementary on his statement about the personal care beds because I may not be in the Estimates here if we go into two Estimates at the same time. My concern is, out of the 1,000 beds that the Minister indicated, 600 are replacing substandard beds, present substandard beds. So actually what he's talking about is 400 new personal care beds over the period of the five next years. Is that not correct?

MR. DESJARDINS: I'll have the exact figure later on but that, in effect, is correct. It's approximately 1,000 beds, some will replace substandard beds. I think we need much more explanation than that and I think that it might be an occasion to discuss what's going on between the Federal Government and the Provincial Government because we're negotiating now to have some kind of exchange in these services.

MR. PATRICK: My final supplementary, Mr. Speaker. The Minister has confirmed that it will be 400 new beds over a period of five years. Does not the Minister see a real serious danger and concern that we will have a backlog of probably 1,200, 1,500 people over the next five years?

MR. DESJARDINS: Mr. Speaker, now I must tell my honourable friend that I understand there will not be any other department debating Estimates or going through the Estimates outside the House and this should be fairly soon and I think we could go into it properly.

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MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, in answer to some of the questions that were raised by the Member for River Heights. The Tantalum Mine loan was made prior to the guidelines between the government and the MDC. At that time, prior to those guidelines, there were times when the MDC Board desiring to do something or indicating that they wished to do something would proceed "after receiving government approval" and perhaps that is one of the indications that was made at that time. My answer yesterday that they were not instructed to make any loan to the Tantalum Mines is to the best of my knowledge and information correct.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I'd like to ask the Minister of Health and Social Development a question arising out of his written statement on the polio virus. An additional report that was released by the Public Health Authorities in Ottawa indicated that one of the problems that we now have is that many parents did not have their younger children immunized or inoculated because they feel that the polio problem is over . . .

MR. SPEAKER: Question please.

MR. AXWORTHY: Can the Minister indicate whether the practice in Manitoba is for required immunization or inoculation of young children; or if not does the Department of Health undertake any kind of educational information program to encourage parents to have their younger children immunized immediately.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Speaker, I don't think that there's any serious concern here in Manitoba but in answer to the question of my honourable friend I must say that we're looking at the situation. There certainly are problems at the moment because people can go directly to a doctor, a physician and get immunization in his office and so on, and we're looking to see if this could be done through the Public Health, all the immunizations, so we can keep records. We're looking at this problem. I think that all in all there is no danger but we certainly could improve the system.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. I'd like to direct a question to the Honourable the Minister of Labour who I note with satisfaction is back in his familiar place. With your indulgence, Sir, I would like to ask the Minister whether he can assure this House that he is back prepared to contribute some of the familiar controversy that has been missing from this Chamber during his absence.

MR. SPEAKER: The Honourable Minister.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, may I first of all say to my honourable friend the Member for Fort Garry how pleased I am to be seated opposite him once again in order that we may continue our deliberations that I think have been rather historic in this House.

I do want to take this opportunity, if I may Mr. Speaker, of saying thank you to all of my colleagues in the House and my associates in the House, and particularly those of the Fourth Estate, for their messages of goodwill I received while sojourning in the Health Sciences Centre. It's only on such occasions, really, when one becomes fully appreciative of the spirit of camaraderie that does exist in this Chamber.

While I was in hospital I wasn't able to see very well and as a matter of fact there were days where I couldn't see at all. But I did receive a card signed by all of the members of the Opposition and I noted through my nurse that the Honourable the Member for Fort Garry did add another very vital and personal note of good wishes to me. I want to assure to him that I'm hopeful that in a day or two when I can see even a little better than I can at the present time that the true spirit of our relationships will continue. I thank my honourable friend and assure him that albeit the fact that I was away for two or three weeks I do intend to catch up on my reading and particularly the comments issued by my honourable friend the member who indicated in his note on the card that he is my Nemesis. Whether that is true or not time will remain to see it.

MR. SHERMAN: A supplementary, Mr. Speaker. Would the Honourable Minister be happy to continue sitting opposite me only with our positions reversed?

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MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS McGREGOR (Virden): Mr. Speaker, I'd like to direct this question to the Minister of Mines and Natural Resources. When will an Order-in-Council be passed pertaining to area designation to qualify for flood damage assistance and will the formula be basically the same as other years? If changes, where? In enquiring this morning this seemed to be where it was hung up.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the Order will be passed in due course. We're waiting information with respect to that at the present time.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct, in the absence of the First Minister, a question to the House Leader and ask him: in view of the statements of two different Government Ministers, the Minister of Urban Affairs and the First Minister, regarding the likely short life of the anti-inflation control application in Manitoba, whether the Manitoba Government is considering joining Alberta and Saskatchewan in challenging the Federal Government regarding their appeal to the Supreme Court to prove on their behalf, the Federal Government's behalf, the constitutionality of the Anti-inflation Act.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I indicated yesterday that the policy of the government not to attempt to frustrate the program is still the policy of the government.

MR. CRAIK: Mr. Speaker, I am well aware of his answer. The question though was whether or not the Manitoba Government was taking a position with regards to the constitutionality in the application of the Anti-inflation Act and their request for vindication by the Supreme Court.

MR. GREEN: Mr. Speaker, I indicated that the Manitoba Government is not taking a position challenging the authority of the Federal Government to try to deal with inflation.

MR. CRAIK: I wonder if the Minister could also indicate, since the Minister of Urban Affairs has again indicated apparently a time limit on the likely livelihood of the program, as to whether the government has made a decision on this six to eight month period.

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Speaker, the reference that's been made in the House is to a newspaper article where I did indicate last night that, as I viewed it and I think as the Premier viewed it, what is happening to the program is that people are rejecting it, in which case it would collapse across the country, not just in Manitoba. It would collapse generally.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. Can the Minister state whether the government will give a grant to the City of Winnipeg for the transportation of the physically handicapped?

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Would you mind directing that through you, Mr. Speaker to my honourable friend to my left who deals with all those niceties.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, I answered a similar question or along the same lines about a week ago. If the City of Winnipeg approaches the province with some program or some scheme, I indicated then that I think our grant structure was such that it would be broad enough to include a program of that kind.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I was asked a question by the Leader of the Opposition yesterday pertaining to a statement made by the Fresh Fish Marketing Corporation and how this would affect co-operative fisheries in the Province of Manitoba. I would like to indicate to the honourable member that the exact amount to be revised was not

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(MR. TOUPIN cont'd) announced. Until we do receive an indication, and we're expecting the Chairman of FFMC to indicate the revised price, we will not be able to indicate to the people of Manitoba what the effect will be on co-operative fisheries or other fishermen in the Province of Manitoba. I'm hoping to receive that information within the next few days and report back.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, in the absence of the First Minister I'd like to direct a question to whichever Minister is answering for Hydro and determine whether the government has received any report aht would provide explanations for the Hydro blackout this morning that totally knocked out Hydro service for the entire Inner City of Winnipeg.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the honourable member will have to put that question to the City Hydro, the councillors of which have indicated that they have serious trouble with Manitoba Hydro. But this is one of the problems - I can't fault them for it - one of the problems which any hydro system can have. He'll have to put that question to the Directors of City Hydro.

MR. AXWORTHY: A supplementary, Mr. Speaker. Considering that Winnipeg Hydro, City Hydro is connected to the Manitoba Hydro System, does the government acknowledge any responsibility to enquire into the matter and determine whether there was any problem in the total system affecting the Inner City area?

MR. GREEN: Mr. Speaker, if we were charged by City Hydro with some fault we would no doubt do something. Some years ago we suggested a means of having one hydro system in the Province of Manitoba and we were accused of theft by the Leader of the Liberal Party at the time so there was no attempt to continue even though there were very generous suggestions made as to how they could be put together. In the meantime the City Hydro is a separately functioning institution. I'm not aware that they have made any complaint to the Manitoba Hydro relative to their problem . . .

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources unless the Minister of Labour wants to answer it. I posed a question to the Acting Minister of Labour a few days ago about if the government has undertaken any investigation into the health problems at the Hudson Bay Mining Company which was claimed by the employees, about the hazardous working conditions, and which was confirmed, I believe, by two local dentists. I wonder if the Minister has any answers.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: I indicated I believe, that I would take the question as notice and I do not yet have a response.

I do have a response to another question I took as notice from the Member for Fort Garry who asked about certain plaques at the inlet structure of the Red River Floodway. I'm able to confirm that there was some vandalism at the site commemorating the opening of the Floodway including the removal of one of the plaques. The plaque was subsequently - the honourable member will be interested to know that through a typing error it says here the "plague" was subsequently located by the police. But it's the plaque was subsequently located by the police and returned. The second plaque was removed and both are now located inside the control room. It is proposed that when the full development of the inlet area is proceeded with, the plaques will be replaced on the cairn in a more appropriate setting.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, before I ask a question of the Minister of Mines and Natural Resources, I too would like to join with the others in the Assembly in welcoming our Minister of Labour back. I'm inclined, Mr. Speaker - if I may be just permitted to recall the occasion when I was a junior Minister in the House for the first time, when I was away for a period of time and the Minister referred to my activities on behalf of the government as a junket. I remember the anger which I felt at that time. I would not, Mr. Speaker,

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(MR. SPIVAK cont'd)in this respect, suggest that he was on a junket but wherever he was we hope that the results will be very good for him and that we will be able to see him and he will be able to see us for some time to come.

MR. Speaker, to the Minister of Mines and Natural Resources again with respect to the question of Tantalum. He was Minister of Mines and Natural Resources in February of 1972. I ask him to confirm whether in effect the application for the loan was made on the basis of a request from him as Minister of Mines and Natural Resources?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I dealt with that matter in exactly the same way as I dealt with a request that was made by the Honourable Member for Virden two days ago. He asked me whether some firm in his area could get money from the Manitoba Development Corporation. I spoke to him about it and told him that they should go to the Corporation.

With respect to Tantalum, the mining company, which it was indicated it was going to have to close, contacted me; they came to my office and I told them to go to the Manitoba Development Corporation and they would deal with it in the usual way. I did indicate, Mr. Speaker, that we were in a slightly different position than the banking concerns were in that the entanglement of legal problems, which would constitute a problem for the banks, we might be able to solve because we were in a position of government. The Development Corporation did not require that in consultation with their lawyers and the loan was made as I understand it in the usual way.

I acknowledge now that there may have been because at that time that was a normal method of proceeding, a recommendation by the Development Corporation requesting whether the government would object to such a move and I would gather that there was no objection and they proceeded.

MR. SPIVAK: Mr. Speaker, I wonder then - to the Minister - how he can reconcile his statement or how he can account for the fact that it would appear that the Chairman, Peter Briant, of the Manitoba Development Corporation, as disclosed in the minutes of the meeting of the Board of Directors, in fact advised the meeting . . .

MR. SPEAKER: Question is becoming argumentative and is out of order. The Honourable Minister of Mines.

MR. GREEN: It is true I did request them to go to the Manitoba Development Corporation and make the application. There is absolutely no doubt of that. But I told the Development Corporation to deal with it as an application, in the same way as I told the Member for Virden when he approached me that they should take their application to the Development Corporation. I assume that he would tell the Board that he was requested by the Minister to take this application to the Development Corporation; as I have told everybody else who has approached me directly for a loan from the Development Corporation.

May I say at that time, Mr. Speaker, that I was not the Minister to whom the Development Corporation responded. They came to me as Mines Minister because there was a suggestion that the mine was going to close because conventional financing was not available. We told them to go to the Development Corporation and they were able to make the loan.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY -
GOVERNMENT BILLS - SECOND READING

MR. GREEN: Mr. Speaker, would you please call the Adjourned Debates on Second Reading in the order in which they appear.

MR. SPEAKER: Thank you. Bill No. 37, proposed by the Honourable Minister of Consumer Affairs. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Stand, Mr. Speaker. (Agreed)

MR. SPEAKER: Bill No. 51, proposed by the Attorney-General. The Honourable Member for Gladstone .

MR. JAMES R. FERGUSON (Gladstone): Stand, Mr. Speaker. (Agreed)

MR. SPEAKER: Bill No. 52, proposed by the Honourable Attorney-General. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Stand, Mr. Speaker. (Agreed)

MR. SPEAKER: Bill No. 53, proposed by the Honourable Attorney-General. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Stand, Mr. Speaker. (Agreed)

MR. SPEAKER: Does the Honourable Minister of Mines wish me to go ahead with the Second Readings to be introduced?

BILL NO. 44 - AN ACT TO AMEND THE CIVIL SERVICE SUPERANNUATION ACT

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY presented Bill No. 44, an Act to amend The Civil Service Superannuation Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. PAULLEY: Mr. Speaker, I know it's normal for explanations on second reading of a bill. The purpose of this bill is basically housekeeping amendments to The Civil Service Superannuation Act. I am informed by the General Manager and members of the Board that they've found some difficulties in the wording of the Act and it's desirable that they be brought up to scratch.

At the present time there is no provision at all for payment of any out-of-pocket expenses to the members of the Board and it is one of the purposes of this amendment to clear that up.

Also under the present Act there is no provision basically for the Civil Service Superannuation Board to handle the affairs of the likes of the Greater Winnipeg Pension Board, that is the Greater Winnipeg Electric Pension Board of a few years ago.

There are one or two other amendments requested, Mr. Speaker, as a way of tidying up. For instance at the present time the fund's moneys shall be invested as directed by the Board's investment committee by either the Minister of Finance or the Board. This is being suggested rather than as at the present time - only by the Minister of Finance. Basically the whole purport is tidying up.

If I may, Mr. Speaker, at this time indicate to honourable members that there will be another bill dealing with The Superannuation Act, Bill No. 2, which deals with the question of benefits under The Civil Service Superannuation Act. I believe that's ready for distribution and will be introduced formally early next week.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House . . . the Minister of Labour.

MR. GREEN: I know that my honourable colleague is going to be very annoyed with me but I think he's just back from the hospital, one bill a day is sufficient for him to deal with so I'm going to move, seconded by the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty. We're dealing with the Estimates of Health and Social Development.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY -
DEPARTMENT OF HEALTH AND SOCIAL DEVELOPMENT

MR. CHAIRMAN: I refer honourable members to Page 31 of their Estimates Book. Resolution 61, Fitness and Amateur Sports, Sports Directorate: (1) Salaries \$172,200 - the Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, when we left this item some days ago we were discussing the reorganization and restructuring of the Sports Directorate, the expansion in staff. I think the Minister pointed out at that time that the staff had been expanded to 19 from 12 and we were pressing or on the verge of pressing at that time, I believe, for an explanation of the expanded staff, the requirements of the Directorate and the reasons for the increase in size.

Also at that time, my colleague the Honourable Member for Crescentwood, expressed the view that there was a considerable battle and competition going on between the Minister and the Manitoba Sports Federation. I may be incorrect in suggesting that that came up on this item. Perhaps my colleague brought it up in a different debate but in any event it's relevant to what we're looking at. At that time the Honourable Member for Crescentwood made the point very strongly that . . .

MR. CHAIRMAN: Order please. Could we just have a little less noise in order that I can hear what the honourable member is saying. The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Chairman. At that time my colleague was making the point as strongly as he could that there seemed to be a resentment on the part of the Minister for the activities and efforts of the Manitoba Sports Federation and he seemed to be putting many roadblocks in that Federation's path. I think that there were a number of accusations and allegations made by my colleague that the Minister would no doubt like a chance to respond to. Certainly we would like to hear his response and presumably, Mr. Chairman, we can go into that subject on this particular Appropriation.

MR. CHAIRMAN: The Honourable Minister of Health and Social Development.

MR. DESJARDINS: Mr. Chairman, first of all talking about the staff, we did cover that quite extensively before. If my friend was to refer to Hansard he would see that this was quite finished. In fact we thought that in about a minute or so we'd finish this item and of course with this long period of time, it re-opens it. I don't think we should repeat everything.

As far as the Manitoba Sports Federation: no, I wasn't in the House when that statement was made. In fact I was meeting with the Manitoba Sports Federation. I had a two and a half hour meeting while my honourable friend was making some statement that I found quite interesting but not too factual. I can say very categorically that there hasn't been any battles or any trouble between the Sports Federation and myself as far as sports is concerned. The battle, if you want to call it that, the accusations that have come out has been on the other responsibility that I have and that is responsible for lotteries. This is what we're trying to do now, straighten this thing out.

I resent very much the accusations that were made because they were not founded at all. In fact I can tell my honourable friend that I received a call on the Sunday morning - this was on a Friday I think that this statement was made; I was away Saturday, I didn't see the paper, and I received a call from the President of the Sports Federation on Sunday morning to tell me that he regretted that very much, that he didn't agree with that at all and he told me that he was going to call my honourable friend from Crescentwood. Now my honourable friend from Crescentwood has got a background in sports and that's good. I understand that his party has asked him to develop a policy on sports and this is fine. But I'd like to say to him that this is a hell of a way to start establishing a policy, by just being negative and making certain statements that have no validity at all.

I can say that the system . . . it was changed when this government took over. There wasn't very much done, there was practically nothing done in sports at this time. When I became Minister of Tourism and at first was responsible for sports, I was fortunate to come right in time when there was a recommendation of the Fitness and

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(MR. DESJARDINS cont'd)Amateur Sports group to the former Minister, Mr. Burtmiak. Many of these recommendations then became reality, became policy of this government. They helped set up this policy.

Then later on there was a committee to make further recommendations in certain areas. There was a committee set up and this committee represented members of the Manitoba Sports Federation and different people in the department - I don't remember all the people that were involved in there and on the advisory committee and so on. They were the ones that recommended certain things that we went along with.

I could tell my honourable friend - I don't know if there's too many people that feel they had to do that; I didn't feel that I had to do it, but at the time I had a meeting with all the sports groups including the Sports Federation and I asked them of their desire. In fact we let them vote on it and it was clear what the people wanted.

Also I think there's been misunderstanding of the role and the work of the Sports Administration Centre. I stated before that this is not something that's sacred; it is something that was recommended by this committee. It was recommended by all the people that work in there to help mostly the smaller sports. Many of the members in the opposition - or some, I shouldn't say many - but some of the members in the opposition from the rural areas are saying that there's nothing going for sports because their little hockey team or baseball team doesn't get anything direct. Well they won't get anything direct for a long time no matter who's in government. Because you start working with different associations representing the sports and you work through them and let them - we're told that government again is butting in - so we work through them and through the Sports Federation.

It's true that you will have certain different funds for helping the athletes to train, the Olympic athletes or world class athletes and so on, this is being done. The Minister who was formerly responsible for this started the ball going and he had a program that has been very very successful between the Sports Federation and the government where there's been joint financing of certain programs. This has been working very very well. I just say to my honourable friend if they are scared, that my policy and the policy of government anyway is that there is no way that this government wants to take over sports. You can rest assured of that.

There is no way that we are not ready to look at any programs. I had a meeting in Gimli a few months back, before the Session, with the different associations. Again the Sports Federation was invited. Of course it is practically impossible to have any recommendations when you're dealing with the different sports bodies or sports associations because they all want something different. This is why it is fairly difficult. The smaller groups welcome and would not want to see the Administration Centre fold. Now it's not perfect. We want to look at it and the Advisory Committee on Fitness and Amateur Sports have been asked to look at it, to bring recommendations. I think it will be a changed . . .I welcome the troubles that we have because they're growing pains growing pains because they wanted more staff - the printers and so on. They feel that a co-ordinator for four or five sports is a little much. They were very pleased when this started and now they're growing and they want a little more. That's growing pains, that's a sign that it is successful I would say. But then again we will have a good look at it and if the sports themselves - because this is money earmarked for sports - if they feel that the government can assist them, can help them better in a different way, as I say, there's nothing sacred about that.

So I resent these accusations. I think they were ill-founded. It's ironic that they should be made exactly at the time that I couldn't hear them because I was meeting with the Sports Federation. I say that as far as I'm concerned there has been no difficulty and I think that the Chairman of the Sports Federation can tell you the same thing as for sports.

The difficulty? Yes, the difficulty being in the question of the lottery which is something completely different. I'm pleased to say that we've had some discussion, some negotiation on that and I would hope that in the not too distant future this will be resolved also. Without any hesitation at all - I can say that I believe - I know for a fact that there's an important role to be played by the Sports Federation and I say

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(MR. DESJARDINS cont'd)without hesitation that if we didn't have a Sports Federation or some kind of an umbrella group that represents all these things we should start one, we should have one. I hope that this will relieve my honourable friends of their concerns because this was very ill-founded and it's unfortunate that statements that are not realistic should be made.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Just one follow-up question on that, Mr. Chairman, from me at any rate although I think one of my colleagues wants to examine that a little more deeply. What about the conflict with the new body that has been formed that really seems to have the same function as the Manitoba Sports Federation? There's a new body that's been formed under the aegis of the Minister, I don't have the formal name at my fingertips but he knows the one I'm referring to. Were these two bodies not now duplicating each others work?

MR. DESJARDINS: No, not at all, not at all, Mr. Chairman. I think my honourable friend is talking about not something that was created by me, it was something that existed and was allowed to - not to fold - but the members were not nominated. My honourable friend is talking about the Council on Fitness and Amateur Sports which is an advisory committee to the Minister and the Department. There are certain programs that the department have and they help us with these programs. There's a lot of places they can help because you want to try your programs on them, they're independent. I can say to my honourable friend that my talk with the Sports Federation certainly would not indicate that they consider this a clash. In fact I have correspondence that would show that they were very pleased to know that these people would be taken in as the third partner in the Corporation A.

So I would say, not at all. We're trying to set it up - that the advisory committee will be a liaison with the government and the Sports Federation. I can't see where the Sports Federation is concerned, and I'm certainly not concerned. In fact it was that committee that first recommended, I think, that there should be a Sports Federation so there's no clash at all. It's an advisory committee to the Minister like you might have in different fields.

MR. CHAIRMAN: The Honourable Member for Virden.

MR. MCGREGOR: Yes, Mr. Chairman. I'd like to put a question that I put last week in his absence in this same area and the Acting Minister took it. Will the proceeds of the new lottery known as Total Communication Involvement Corporation be distributed similiary to the Golden Sweepstakes through the recreational grants to the various clubs, rink, halls, etc? I'm taking that from a notice in the paper, "Proceeds will go to a non-profit organization." In other words those rinks and halls that benefited through the WesCan Lotteries and now this new one's coming on, do they both fit together or is one separate? The article sort of says what the other does this would not do.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, first of all I want to get your guidance on this. This is the Estimates, this doesn't deal with lottery. Does that mean we re-open the whole field of lottery at this time? I don't think so. With this understanding I don't mind, I would like to answer my honourable friend because I know that he asked this question during my absence last time. If I may be permitted - and in fact my answer will be that I will ask him to discuss that with another Minister because he is talking about now . . .

Well first of all this Corporation B, this group that you're talking about is a new independent non-profit organization. They are licensed to run a lottery. They are licensed under certain conditions; they have to satisfy the Manitoba Lottery Licensing Board. Now, they keep everything. Mind you they have to pay for selling the tickets and so on, that's the arrangement they made and they might have a very small fee to pay for the cost of administration to the Manitoba Lottery Commission and the Manitoba Lottery Licensing Board. But previously there was a profit going to the government. That fund was set up independently - well it went in the Consolidated Fund but it was a special account and it was used for programs by the government in fitness, in sports, in community recreation, in cultural affairs.

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(MR. DESJARDIN cont'd)

Now this is the money that comes from the lottery. My honourable friend, first of all he should understand that this corporation then can do what they want with their money. My honourable friend has also stated that he's concerned about the program that we've had and I don't know if they still have it, it might be suspended for the time being that through lottery profit going to the government, that has nothing to do with that Corporation at all, nothing to do with it. In that corporation by the way there's no profit going to the government from that. So definitely there'll be away less profit going to the government because it is going directly to these people more than ever before.

Now the government with its revenue from the lottery had a program where they would make up to \$20,000, 25 percent to a maximum of \$20,000, under certain conditions providing it was viable and there was a request from the community because they didn't want to set up white elephants. That has been an extremely successful program. It was supposed to be for a short time and I think that all the municipalities and all those that wanted it put in a bid. There were millions of dollars spent in that. I know that when it was first announced, I was with the department then, it was supposed to be around \$300,000 and there was millions of dollars spent over the last few years on that. Now that has nothing to do with Corporation B but I serve notice right now that there will be less and less revenue accruing to the government from lottery. It might be that this government is going in the direction where they might get away from using the lottery. But it will be used for sports and fitness and so on, but in a different way.

So I think my honourable friend's Estimates will be coming pretty soon and it could be discussed then. I would suggest my honourable friend ask the Minister if that program still exists and so on, depending on the revenue from lottery of course.

MR. MCGREGOR: Mr. Chairman, I wish to be advised by you: is this not the place to go into the lotteries in general?

MR. CHAIRMAN: Department of Tourism and Recreation. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I just want to ask the Minister, a few days ago there was an announcement, at least a news release in the paper and I don't know if it was through the Minister's Office or was it through the Manitoba Sports Federation, a sports program that was announced for Gimli during the summer months, the training of coaches and there was a variety of activities. Has the department or the Minister got anything to do with that through his department, the program that's announced for Gimli?

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, the Sports Federation and other groups have been told and assured that we will co-operate as fully as possible to promote sports in this area and work together. I think that this is the best set-up possible, if we work with the private sector and with the Sports Federation.

Now it has been a touchy situation, you know it's natural, the big bad government always wants to take over. For that reason I'm more careful than I normally would be to make darn sure that there's no accusation of interference and so on with their programs. I've talked to the Fitness and Amateur Sports advisory committee; I've asked them to as soon as possible - it has been difficult because we did some reorganization and we need staff for the Director and so on - to make themselves familiar with our programs before we decide on too many new programs and to discuss with the Sports Federation.

This week, I think it was Monday, that I met with the President of the Manitoba Sports Federation and we discussed that and I think what we need is a good meeting with the Director representing the government, the advisory committee and themselves to see where we're going to work because we don't want to duplicate their programs. That is the only thing that I want and I don't think they should duplicate our programs either. So this is going to be looked after. But I can't tell him any programs that will continue or so on. I expect to meet with the Sports Federation in the very near future and discuss just that.

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MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, the question I asked is if it's the Manitoba Sports Federation that's running the program at Gimli. I understand they've signed a five-year contract for the use of the arena or hockey arena during the summer and the other activities as well. I think it's broken down into figure skating and it's broken down into hockey clubs and so on. It looked like a very good program and I think it's a good location and it was broken down into various activities, quite a few activities. My question is: is it sponsored by the Fitness and Amateur Sport of the Minister's Department or is it run by the Sports Federation?

It was quite an extensive program which probably involves quite a bit of money and I'm not against a program. What I've seen from the news release, it just was announced I believe last week, this was quite an attractive program and I think it's the proper approach to take. It wasn't strictly for a hockey school for young boys playing hockey, it was quite a well-balanced program and I saw a lot of merit in it. My question is I'd like to know who's running it and what is the cost involved and was the arena at Gimli purchased by the government or by the Sports Federation or what was involved?

MR. DESJARDINS: Mr. Chairman, it's not a program of the government. As I stated, I can only restate that we agreed to discuss our mutual programs to see where we can help each other. So it might be that eventually we'll be involved, but at this time it has not originated with our department.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Chairman, I have a general question on the Appropriation. I notice that the \$737,000 appropriated for Fitness and Amateur Sports is roughly 74 cents per capita of roughly a million population in the province.

I would like to know if the Minister could tell us where does Manitoba stand in the general average compared to the other provinces, as compared to B.C., Saskatchewan, Alberta? Are we spending less than a per capita average in Canada or are we above it? Has he the figures on what the other provinces are spending either per capita or an overall figure on Fitness and Amateur Sport?

MR. CHAIRMAN: The Honourable Minister of Health and Social Development.

MR. DESJARDINS: Mr. Chairman, I hope that my honourable friend will keep on pressing and I hope that he presses quite loud for the rest of my colleagues to understand because I would welcome more money in this department.

No, I don't think that it's possible to get this kind of information because it is so varied. This is only part, it's not everything that is spent in this area.

First of all this is with the department as such. There was another item that probably next year will be transferred here on the Fitness Program, I think it was over \$100,000 or \$150,000, I don't recall exactly what the amount is. Then there's the revenue from the lottery that has been going in. For instance, there's \$400,000 which is much more in proportion than the other provinces are spending for the games, for the Manitoba games that we'll spend this year. Then there's different programs; a program that was \$100,000 that I can think of from the top of my head that we helped in helping to train athletes, world-known athletes or Olympic athletes. This is in co-operation with the Sports Federation.

This is only organized sports as such so you have money from the Department of Recreation and Community Affairs which they're spending. That program that my honourable friend from Virden was referring to, which is again where millions of dollars were put into those facilities. They've helped also through winter works, I think. Then the four Ministers in western Canada have a fund and there's money that has been coming from there going directly to sports. There's 50 cents per ticket, Olympic Lottery ticket, that goes to the province and that has to be spent on sports and that's not included in there so I would say that it's quite a few times this amount.

I think we've come a long way. I think that there are some provinces - for instance Saskatchewan I think is probably spending more money. They're in a better position than in Manitoba. In general I think that we're holding our own. I think Quebec has been fairly generous also. But I think we have an awful lot more to do.

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MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Well Mr. Speaker, I first of all congratulate the Minister for his positive statement that he in no way intends to interfere with the operations of the voluntary sports groups across this province and will do everything possible to work with them the best way he can. That of course includes many organizations over and above the Manitoba Sports Federation. The flak that came out of that debate I don't think did anybody any good in sport because there's all kinds of charges and counter-charges being made and maybe there will be benefit from it all and I hope that it doesn't happen again. I think the Sports Federation, they were created at the time of the Pan Am Pool and I think they've done a good job.

I'm wondering now, how do we get the breakdown between your interest in sports and the Minister of Tourism? Why have we got the two Ministers in the sports field. Does this not create a duplicate of organizations or how closely do you work with the other Minister? Or does the same staff work under this item in your Estimates and they're employed by the Minister of Tourism as well for the sports interests that he carries out.

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: That's a good question, Mr. Chairman. There is no conflict at all. I'm responsible only for organized sports, dealing with organizations let's say the wrestling, the boxing, the hockey association and so on. Now the community recreation, which could be the same sports but unorganized, this is still the jurisdiction of the Minister of Tourism.

The intent was to marry organized sports with fitness. There is a movement to have more fitness and so on. We feel that it could be done through organized sports and also with the negotiating with the Federal Government because the Minister of Health is also responsible for Fitness and Amateur Sport. So there is no conflict. I am only responsible for amateur sports mostly. Not the horse racing. That's a commission itself. There's the Boxing and Wrestling Commission that reports to me and then I have organized sports as such, you know, the bodies directly that are promoting that. As I say we want to get closer to fitness. There seems to be a movement.

Mind you I was quite happy a few weeks ago to say that I had read somewhere that the Federal Government would want to participate and maybe help us in some of these programs. It turned out that I didn't read too well, that I can't read. At the meeting of the Ministers of Health last week I was told, no, that there was no money and I was very disappointed. Now this is something that the Federal Government has been talking about - and I don't blame them. Politically it's a terrific gimmick. Fitness and seat belts and reducing the speed limit but there's not a damn cent that comes from Ottawa on this. It would help if we could help on some of these programs.

My honourable friend suggested, are we getting our share compared to other provinces from the provincial fund. I stated that there's some provinces that probably are a little more liberal or generous but I don't think we're getting our share from Ottawa on this. It seems that the east are getting all kinds of money to send teams all over the place and I don't see too much--(Interjection)--That's because you're too old. I can give you pills for that.

MR. McKENZIE: Mr. Chairman, I was wondering about the Sports Administration Centre at Cumberland Street. Does that come under your jurisdiction or the Minister of Tourism, Recreation and Cultural Affairs?

MR. DESJARDINS: That is the Administration Centre for Sports and actually they run it. We give them a grant. Part of the staff - there's 13 people. There's a director of that facility, of the Sports Administration Centre, who is a civil servant reporting to me through the Director of Fitness and Amateur Sports. But all the rest of the staff are hired by the different sports groups and they run the show. This is what we want. A while ago I was talking about growing pains and so on, this is the area that we want to make sure that it's carrying on. Sports like hockey and so on are not that interested because they're so big, they have full time people. But it helps the smaller sports. When it was put to them at the meeting that we had they suggested no, no, there's no way that they wanted to abandon that. They wanted to see it continue.

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MR. McKENZIE: I thank the Minister. Therefore the monies that are allocated, the grants from Cumberland go to organized sports groups. Groups that are legitimately organized and then they distribute it amongst those that take part in that particular sport such as speed skating, lawn bowling, whatever the case may be.

MR. DESJARDINS: I don't want to mislead my honourable friend. My honourable friend said it will go to these bodies. That's right. For instance here I have some with the amount that was given. My honourable friend made a statement that they in turn disperse it or distribute it. That's not necessarily true. It works in that sport but they might decide amongst themselves, the governing body of this group, what they can do. I don't think that they'll just say, we got \$5,000 and we've got 5,000 in the club, we'll give you a dollar each. They might work for a championship and some of these things in there. Now this is grants that they get.

Besides that they have their co-ordinator that works with a number of sports. Then we even provide them some funds for stamps and printing and things like that that are done so they could use it. But it is left to their discretion. I wouldn't want my honourable friend to think that they necessarily will, let's say the Hockey Association give some money to each hockey club. That's not the case.

MR. McKENZIE: Another question then to the Minister. It's my understanding in the Province of Saskatchewan that the sports people have full control of the distribution of the lottery funds, the profits from their lottery scheme. And I guess the formula is what? Thirty percent goes to the arts group and 50 percent to the sports. I believe it was something like that in Saskatchewan. Does that work basically the same in Manitoba where those organizations have some positive input into the distribution of those funds?

MR. DESJARDINS: Mr. Chairman, I did state a while ago that some sports groups do better in certain provinces. I think I did mention Saskatchewan as one of the provinces where they're fairly well off. The marketing of tickets - and again I don't want to get involved in the lottery but I think you're interested to see what goes for sports so I think we could stretch this with your permission, Mr. Chairman.

The marketing of the lottery, products of the Western Canada Lottery Foundation, is the responsibility of each province. In Saskatchewan there is no money that goes to the government at all and by the looks of things there won't be very much coming in Manitoba to the government for a while either. The people that do the marketing, that are responsible for selling that, have been designated as the Saskasports. They use some agencies to sell and then they have retailers. In Manitoba it's a little different, in Manitoba the government on paper is supposed to be receiving some funds but until we've got this thing settled - I can tell my honourable friend that there's not too much coming now. We've been helping this Corporation to get set up.

Now the corporation we think that when it's started it'll be very solid. There's not only sports lovers, you know, now we're talking about Fitness and Amateur Sports but Corporation A the people that do the marketing here, is the Corporation A and there's a partnership of people representing sports, some fitness and United Way. Besides that we've got Corporation B which all these agencies, but that is not in a bearer's ticket. That's the ticket that I don't like. But I think we've tightened up and I think that they want to police themselves. I'm still a little nervous about that because I think we should account for every darn ticket that is sold. These people, that's this Corporation B and all the money they keep, that's fine. In Saskatchewan, as I say, the profit goes to them and then they use the agencies for distribution and then retailers.

Now ours, a certain profit is supposed to come to the government. But of the profit that goes to the government, 50 percent goes back to sports. That's the government programs like my friend from Virden was talking about, like the Manitoba Games and so on. They get 50 percent of the profit whereas in Saskatchewan they get all the profit. But then the distribution, in Manitoba they get one-third of that where in Saskatchewan they use agencies. So it's a different little set-up.

I think that you have the reason. If you've read the newspaper and you've seen the scandal that was happening in Ontario, it's exactly what I was talking about, what I was concerned with when we talk about lottery. There is no doubt that the best way to sell tickets is to take individuals and say, this is your territory, because you're going to

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(MR. DESJARDINS cont'd)hustle. Butch Bouchard in Montreal is making over a \$100,000 and he's got a couple of people doing the work. Savard's got an agency. He's making more out of that than he's getting out of hockey. But we don't want that. We think that this Corporation, if we give them a break - and this Corporation is not the government - sports, culture and United Way will be going ahead and I think they'll be very successful.

MR. McKENZIE: Mr. Chairman, I guess we'll deal with the lotteries when we come to the Minister's salary. Is that correct?

MR. CHAIRMAN: We'll deal with the lotteries under Tourism and Recreation.

MR. DESJARDINS: . . .clarification of that Mr. Chairman. I don't know if you heard correctly. He didn't say now, he said when it comes to the Minister's salary. Now I don't know. There must be a chance where the opposition has a right to ask questions about lottery and I don't know where if it's not under the Minister's salary. Not now but under the Minister. . . I think that was your question.

MR. CHAIRMAN: As it applies to this department. --(Interjection)--

MR. McKENZIE: I'm sure, Mr. Chairman, you'll give the committee an idea of where we can deal with that item.

MR. CHAIRMAN: Under the salary? All right. We can deal with it under the salary then.

MR. WARNER H. JORGENSEN (Morris): Mr. Chairman, I was just going to say that the only opportunity there is to deal with that particular item is under the Minister's salary and we'll be coming to that at the conclusion of the consideration of the items on the Estimate.

MR. McKENZIE: The Summer Games then, which is organized sports, would come under this Estimate. The operation of the Summer Games in Manitoba which is scheduled, that's organized sport and therefore it comes under here.

MR. DESJARDINS: Again I don't want to mislead my honourable friend. It is the responsibility of our department, the responsibility of the Director of Fitness and Amateur Sports. You talked a while ago about co-operation with the department. Because we're reaching out this is not excellence but this is more participation. We're trying to get every person in Manitoba that wants to, to participate. We need the help of the community recreation staff and they're helping us in that area. But it is the responsibility. You won't see this amount in there. It's \$400,000 and it comes from the revenue from the lottery.

MR. McKENZIE: Mr. Chairman, it becomes very confusing and I would hope that the government will see the day when the whole thing comes under one Minister. One is organized and the other is unorganized sports.

My question then is regarding the Summer Games. I understand the budget is going to be in the neighbourhood of \$400,000. I'm told the Saskatchewan Summer Games are only in the neighbourhood of say \$150,000. I wonder why the difference?

MR. DESJARDINS: That's absolutely correct. The Saskatchewan Game are only \$100,000. First of all, this is our first one here and I think we have a different situation than Saskatchewan. You've got Winnipeg and then you're all over the place. The games will culminate in Neepawa but then there's different districts and different areas and so on. A lot of that money is for travelling, when you have people from the north and so on. I definitely want us to look at it again. I might say we have voluntary people who had an interest in sports, who sit on the Games Committee and they propose their budget. This is what was approved. But you're absolutely right. Because it's called the Manitoba Games or Saskatchewan Games it doesn't mean it's exactly the same format. I think we'll have more participation and some of the problems that I mentioned. What you mention is a true fact.

MR. CHAIRMAN: Resolution 61(a) - the Honourable Member for Crescentwood.

MR. WARREN STEEN (Crescentwood): Mr. Chairman, I'm sorry to the Minister that I wasn't in the Chamber a few minutes ago when he made some reference in answering to the Member for Fort Garry about some comments I made during the Budget Speech. During the Budget Speech it was unfortunate that the Minister of Health was not present

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(MR. STEEN cont'd)that day but I did have some comments on recreation in Manitoba. I did say at that time that I had been at one time a director of the Manitoba Sports Federation and that I thought that the Sports Federation was an outgrowth of the community participation that took place here in Winnipeg during the 1967 Pan Am Games and that I thought that the Manitoba Sports Federation was a good group and that I was a believer in the volunteer input. At that time I questioned whether the Minister believes in the volunteer input and whether he believes that volunteers are a valuable asset in this province in the way of sport and recreation. I said that I was certainly a believer in them and that I had hoped the Minister could get together with them and that the licensing for their fund-raising projects could be obtained. Since then I have chatted with persons from the Manitoba Sports Federation and I don't know whether I deserve any credit for it or not but they tell me they had a very interesting meeting with the Minister on that particular Friday afternoon and that they got along exceptionally well.

MR. DESJARDINS: Mr. Chairman, on a point of order. I would like to give my honourable friend credit and maybe I will if he's more factual in the future. I can hardly give him credit for this meeting because that meeting was held exactly at the time that he was delivering his speech and that's why I wasn't in the House. I found out on Sunday when the Chairman of the Sports Federation phoned me to tell me that he didn't agree with the statements that were made.

MR. STEEN: Mr. Chairman, I wasn't trying to take any credit for it. All I'm saying is that I'm pleased to hear that the Minister is getting along a little better with this organization and isn't at loggerheads with them any longer.

My other comments at that time and my comments at this time are that, much as the Member from Roblin has said, this is rather confusing when we have the Community Recreation Services under one Minister and Fitness and Amateur Sport under another Minister. I am one that believes that if the two were under the same Minister that it would be far more economically run and be run far smoother. But as I said, why I wanted to rise on this occasion was to say that I'm glad that the Minister is getting along a little better with the Sports Federation, because I do believe that they're a good, viable, volunteer group for our community.

MR. DESJARDINS: Mr. Chairman, I'm glad the member is glad and I think that before he makes a statement in the future maybe he should find out a little more.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: One more question to the Minister regarding the Summer Games. The assets or the buildings that are put in place or the facilities that are put in place in like Neepawa this year, after the games are over who takes title of that property? Or who looks after the upkeep and the maintenance of it?

MR. DESJARDINS: Mr. Chairman, I think that the four host cities - I'm not sure of the exact amount, I think it's about \$75,000. Now that is the community. They inherit that the same as if you have the Canada Games. But they're responsible for the maintenance after that. It has to be viable and so on.

MR. McKENZIE: Mr. Chairman, another question. My understanding then, the government's contribution is approximately \$200,000 or \$175,000. This is to the buildings and the site of the games.

MR. DESJARDINS: Then there's other funds to the host city, but then they also will get revenue I guess from registration and so on because they have to go through expenses to host the games. But for facilities, for capital - I believe it's around \$75,000 - it's theirs, they keep it, it's the municipality's, but they're responsible for it.

MR. CHAIRMAN: Resolution 61(a)(1)--pass; (2) Other Expenditures--pass; (3) Financial Assistance--pass.

Resolution 61 - Resolved that there be granted to Her Majesty a sum not exceeding \$737,900 for Health and Social Development--pass.

I now refer honourable members to Page 32, Resolution 63 Manitoba Health Services Commission. Administration \$7,782,000 - the Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Chairman. There are a

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(MR. BROWN cont'd)number of questions that I would like to ask under this particular item. First of all I'd like the Minister to give us a breakdown of this amount of \$7,782,000.

I wonder why there was no real representation on the Board of the Manitoba Health Services Commission, certainly no rural doctors, Dr. McPhail and Dr. Dahl have never been replaced and the one rural member has moved to Winnipeg so we can hardly call him a rural member anymore. If you consider that half your population still lives in rural Manitoba then it makes you wonder why there is no rural representation on the Board of the Manitoba Health Services Commission at the present time.

Why is there only one practicing physician on the Board and this physician working in a hospital only. He has no connection with any clinic and cannot possibly know the problems encountered by the medical profession who work out of both clinics and hospitals.

Number four, how are the relations between the Board of the Manitoba Health Services Commission and the medical profession since the Minister of Health has seen fit to terminate the agreement with the doctors, whereby the doctors . . .

MR. CHAIRMAN: The Honourable Minister of Health.

MR. DESJARDINS: Mr. Chairman, on a point of order. This could be pretty testy and touchy if we jump all over the place. When we're dealing with the MMA, this will be under the medical program and I wonder if we can go ahead with the Administration now. I think he has a valid point talking about the makeup of the Board under Administration, but when we're talking about contract with the MMA I would suggest that maybe we should wait until we deal with this item.

MR. CHAIRMAN: Yes. I wonder if the honourable members would just take note of this item because it's all listed as one. But I have put in numbers from one to seven here in order that we can deal with these separate items.

So if the honourable member is speaking on Administration that would be Resolution 63 sub (1) Administration, if he would speak to Administration. When we pass that we have Personal Care, Hospital, Medical, and each group like that. The Honourable Member for Rhineland.

MR. BROWN: Mr. Chairman, I was asking about the relationship between the Board of the Manitoba Health Services Commission and the medical profession. I was not dealing with the Minister's position with the medical profession. It would seem to me that at this time that would be quite in order.

I would just like to know what the relationship is between the Board of the Manitoba Health Services Commission and the medical profession.

MR. DESJARDINS: Mr. Chairman, it will be as good as they want it to be. There has been an agreement until this year and part of the agreement has been that there should be a consultative committee between the Board. Now they've been told repeatedly that that Consultative Committee - in fact they've been told that they can have an agreement any time they want. There is one area - and we'll come back to that when we talk with the medical profession - that we can't get together. On all the other points they've been acceptable to both parties. The relationship, I believe, is good. There is the Consultative Committee - there was and as I stated the Commission would be very pleased to keep on meeting with them to discuss areas of concern, with the understanding that the medical profession or any other group will not have a veto in government planning. It is very difficult. It's not only one sided - and unfortunately my honourable friend is getting all of his information from that one side - but it is very very difficult to discuss with the Manitoba Medical Association. I can tell my honourable friend that when I was Chairman of the Commission I asked the MMA: where do you want us to plug you in? Where do you want us to plug you in? As long as there's not political or partisan politics played we'll plug you in. But they weren't too fussy about this.

Because if we have a Committee studying a certain area and if they name somebody, a representative, if we ask them to send somebody from the MMA, we've been told - and I have that in the minutes - we've been told that it is very difficult for this person to participate. So he ends up being an observer who will report to the MMA.

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(MR. DESJARDINS cont'd)That's not planning together. He is afraid to talk because he's not sure that whatever he's recommending or what he agrees to will be accepted by the MMA. So it makes the situation that that man, before he can really participate - he can come in and bring this to his executive and then at certain times to the body - and they don't meet that often, they meet around once a year when they want to increase their salary, they don't meet much more, they have an annual meeting and it's very very difficult. I don't think that you can only blame one side. They were asked, "Where do you want to be plugged?"

Now if my honourable friend has this fixation about MMA, that's his problem. If he's talking about the medical profession it's something else. I'll resist the temptation because we'll come back to that. I have some information - I'll tell my honourable friend and I'll prove to him that he's completely wrong when he says that we do not discuss with the medical profession.

As I suggested I should remain on this thing of Administration. I think we can spend a few minutes on the makeup of the Board. I think it is a very good Board. I think it is a very good Board. My honourable friend said, "Why aren't there any doctors?" There are three doctors. There is one that is an adviser to the Minister and there is another one who is the Deputy Minister and there is one that is working in a hospital. There's three doctors out of - how many are the members on the Board? Out of nine. That's pretty damn good. Why doesn't my friend say, "How many nurses? How many physiotherapists? How many administrators of hospitals?" He's not too concerned because he wants to lead with the big boys. Well, all right. I have no fixation on that; I think that they're well represented and I'm satisfied with that. I think that in this day and age my honourable friend, if he's ever on this side of the House and occupying this spot, will realize that when you plan and so on sometimes you've got to do some of your own planning. You can't just go with the group that is affected, that have conflicts of interest. If you don't believe me ask all the provinces across the country. As I say there's two and the other one is an adviser. Dr. Doyle was just an adviser and he's been replaced by another adviser.

Then rural area. Well I think for the first time we have somebody that comes highly recommended, that I'm told is doing an excellent job and it's true that he's retired. That's why he was chosen. It is a man that was an administrator or is the Chairman of the Board of a Hospital, who has made a very good contribution over the years and we're very pleased to have him. I think that probably this is the time that at least we've got somebody representing the rural area. I can say that this group is not supposed to be representative; you're not supposed to necessarily have somebody from the Indian Brotherhood that they requested, somebody from MARN and somebody from the doctors and so on. It is people that have good judgment and they have, I think, a good staff up there to make recommendations and then they're studied and then they go along with the direction of the government. I'm pleased, I think that we have an excellent group of people that are very dedicated and they're getting along fine.

My honourable friend, now what does he want? My honourable friend is saying to me, "What about your relationship with the Health Sciences Centre?" What about them? The Health Sciences Centre come in at Budget time and they want more money and we scrutinize them the same as St. Boniface Hospital, the Misericordia Hospital, as Concordia Hospital, as all the hospitals. We think that we have good relationships. I personally have had excellent relationship with the administrators in the city. I've seen them more often, and then those that I've met in the rural area. I don't think there's been too many clashes.

Now we don't give them - the same as you don't vote everything that we want and when we are in the Cabinet room I don't get all the money that I want. Even my friend the Minister of Mines doesn't get all the money that he wants, or the staff he wants. We're scrutinized and that's our job. You tell us on this side that we've got to start saving money, this is taxpayers' money. At times we have direction for the different boards of different hospitals and I think that all in all I haven't heard too many complaints. They would like to have more; they would like to have everything granted and sometimes they're

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(MR. DESJARDINS cont'd)disappointed. They can review it and at times if they are not satisfied, they ask the Minister to review it and certain things could go back to Cabinet if need be. But all in all I think we have a very good board. I would like to take advantage of this opportunity to thank them because they're dedicated. It's a thankless job and they're doing a good job.

If we can get down then on the question of Administration, my honourable friend I think wanted a breakdown of this amount. There is a \$685,000 for Rental of Office Equipment. Now, there's been an increase here for workload, there's more and more services. There is Pharmacare service that we give. Also there's an increased capability of computer equipment.

Standard Approval Program \$15,000; Medical Review Committee \$25,000; Postage, Express and Delivery \$156,000; Travel \$90,000; Stationery and Office Supplies \$419,000; Professional Consultants \$276,000. Yes, there's Quantity Surveyors. We're using Quantity Surveyors now. It's the best method of building these facilities and this is a change now so they're being paid direct from there. It is a large amount.

Publicity Registration \$50,000; Maintenance of Premises and Equipment \$105,000; Telephone, Telegrams \$66,000; Furniture and Equipment \$40,000; Real Estate tax 115; Building Renovations - there's nothing this year; Employer Contributions 155; Miscellaneous 40; Heat, Light and Power 75; Total Expense other than Salaries, there's \$2,312 and I know that I have the figures here with the percentages. We were doing very well. I wonder if my staff can find this.

Administration costs in Alberta is 6.2 percent, that is including salary. Right? Excuse me, I should finish.

I told you that there was \$2,312 without the Salaries, and the Salaries of \$5,470. Again we had practically no increase in staff man years. Four for the total. That's close to 400 employees. We've only had four increased and we had more programs so it's actually new programs. We kept the lid on in the department and at the Commission

As I was saying the total Administration Costs in percentage in Alberta 6.2 percent; Quebec 6.1; Newfoundland 4.8; PEI 8; Saskatchewan 4 - 4.7 for medical, they have it separate, and hospital is 2.5. The total in Manitoba is 2.1, so I think that we're doing quite well. Staff man years are 742 now from 738 last year.

MR. BROWN: Excuse me, Mr. Chairman. I did not get how much was paid for Professional Consultants for the year. Can the Minister give me that?

MR. DESJARDINS: \$276,000 for Professional Consultants includes a provision of \$184,000 for Quantity Surveyors and a reduction of a \$100,000 due to the completion of the Clarkson-Vayda Report. That amount was in there before.

MR. BROWN: Thank you, Mr. Chairman. This was exactly the point that I was going to get at. Because we do not have the consultation with our doctors, the co-operation that we should be receiving, we have to hire consultants. It makes you wonder where these consultants are going to be coming from. Are they going to be coming from Sweden or from England or from the United States? Whenever a study seems to be made, the studies all seem to be made from people who have come from outside of Manitoba and the Clarkson-Vayda Report is a shining example of these. These people have to familiarize themselves with the Manitoba situation first before they can possibly make any decisions. Now it's small wonder if the reports made by the experts from outside the province, people who are not familiar with the Manitoba scene, that they receive criticism from the providers of health care within this province. It seems to me that the Minister is deliberately asking for trouble. He cannot run a meaningful efficient health scheme without the co-operation of the Medical profession.

MR. DESJARDINS: Mr. Chairman, with the permission of the honourable member, and it might be less embarrassing to him, can I give him more details. Then maybe he could keep on with his speech if he wants to or change course. I'll give him the details of that \$276,000. Professional Auditor \$33,000. Now if you want to criticize that, be my guest. That's Provincial Auditor. The Architects, Engineers and Quantity Surveyors for construction as I've explained, that's \$203,000. That is strictly on bricks and mortars of buildings and so on. The Medical Assessors \$25,000; the Planning Group

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(MR. DESJARDINS cont'd) \$15,000. Now if that is exorbitant, there's none of those we added. If he wants to talk about Clarkson-Vayda, that's not in the Estimates. With this detail I wonder if he wants to keep on with that speech he was starting to make.

MR. BROWN: Mr. Chairman, I'm merely expressing the concerns of the people of this province. When the people of this province have the feeling that there is not co-operation between the Board of the Manitoba Health Services Commission and the doctors of this province then, as I was saying before, there is really no way that you can run an efficient service. I'm sure that the Board members, that you have that they are competent and dedicated people. I'm not criticizing the members of the Board at all. But to me, if you're going to do any long range planning whatsoever, you're going to have to sit down with your providers of health care, the people who are responsible for carrying out the programs in this province so that we can come up with efficient programs that are geared towards the needs of the people of this province.

MR. DESJARDINS: My honourable friend insists. I told him that out of this \$276,000, there's \$203,000 that is not a new cost. It used to be paid by the hospitals themselves. To save money we've got these Quantity Surveyors and we're paying it direct.

You want to take advantage of this to talk about consultation. He has no idea, I repeat, no idea at all about what kind of consultation that we have. He is just reading the paper and . . . information which is fair game. I used to get all kinds of information when I was the health critic in opposition and that's fine. But I want him to be factual. Is my honourable friend making the statement we are not having any people of the medical profession, we are not co-operating with them and we are not talking to them in planning health. If that is the case I want to refute this. I want to refute this and I'm going to give him some of the committees that we have with the doctors that were on.

Assessment and Benefit Policy to review physician fees. Members, Dr. Sirett, Dr. Holland, Dr. McCharles, Dr. Young, Mr. McKenzie, Mr. Harvey, Mr. Yourechuk, and Oullette. There's four doctors.

Medical Appointment Review Committee: Dr. Campbell, Dr. L'Heureux, Dr. Haworth, Dr. MacKenzie, Dr. Weidman, that's the doctors.

Medical Review Committee: Dr. Campbell, Dr. Corne, Dr. Binns, Dr. Chochinov, Dr. McQueen.

Medical Laboratory Technical Advisory Committee: Dr. Green, Dr. Fox.

Scientific Advisory Committee: Dr. Wilt, Dr. Chernick, Dr. Faiman, Dr. Macle.

Laboratory and X-ray, College of Physicians and Surgeons - by the way we have a very good relationship with the College of Physicians and Surgeons and they are the ones that are charged with the standards in Manitoba.

Geriatric Services Committee: Dr. Alcock, Dr. Skelton, Dr. MacDonell, Dr. Henteleff and besides that there'd be the administrator of the hospital.

Medical Assessment, Physicians in private practice employed by MHSC on a part time basis for consultation and advice on Medical claims: Dr. Alexander, Dr. McBeath, Dr. Hollenberg, Dr. Rubin, Dr. Griggs.

Board of Health, to review and recommend regulations under The Public Health Act; Dr. Tulchinsky, Dr. Fox, Dr. Eadie and Dr. Sutter.

Committee on Diagnostic Radiology: Dr. MacEwan, Dr. Morrow, Dr. Sutherland, Dr. Rowland. Be patient there's a few more pages.

Advisory Committee on Internal and Child Health: Dr. Tulchinsky, Dr. Roulston, Dr. Hall, Dr. Peddle, Dr. Morrison, Dr. Tavener, Dr. Chernick, Dr. Hudson.

Advisory Committee re Ambulance Service: Dr. Bruser, Dr. Gemmell.

Manitoba Technical Advisory Committee, Dr. Fox, Dr. Sekla, Dr. Cadman, Dr. Wilt, Dr. Ronald, Dr. Medovy, Dr. Warner, Dr. Chernick, Dr. Snell, Dr. Eadie, Dr. French, Dr. Hurley, Dr. Scatliff, and Dr. Waters;

Laboratory Physicians of the MMA: Dr. Sekla and Dr. Fox.

Mortality Study Committee: Dr. Fox, Dr. Padua, Dr. Minuk, Dr. Goodhand, Dr. Taylor, Dr. Goldstein, Dr. Krahn, Dr. Crowson and Dr. MacLeod.

Occupational and Preventative Medicine: Dr. Sekla, Dr. Fox, Dr. Eggertson, Dr. Waugh, Dr. Henderson, Dr. Tisdale, Dr. Hall, Dr. McNicol, Dr. Avren, Dr. Brokovski, Dr. Burgess, Dr. Cadham, Dr. Corrigan, Dr. DeKoven, Dr. Stephanson,

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(MR. DESJARDINS cont'd)Dr. Domke, Dr. Dowling, Dr. Christiansen, Dr. MacLean, Dr. O'Toole, Dr. Panikkar - need I continue or does my honourable friend get the message? Because I'm good and fed up with this kind of stuff that we are not discussing with these people.

Besides that the department has set up a situation where we have a Chief Medical Consultant. We are talking constantly on a number of subjects with different subjects. You know what my honourable friend should say - and let's have the argument on this. This will be factual, he could be factual and he might have a point. We don't necessarily go through the MMA and that is the issue. Because the MMA are not in a position - it is very very difficult for them because when they're sent by the MMA they must have the okay from the MMA and everything has to be approved from the MMA and there is no way that we can plan in this respect.

For instance if we go on Geriatric, we went and got the three best people that we have in Manitoba. The MMA probably would have named the same people and we respect them as individuals that have a contribution to make. They don't have to get the okay or a signature of 1,200 doctors and that is very difficult my honourable friend. One time I've asked the people about a certain Peddle Report and I don't blame them. They have their politics, too. It is very difficult. The specialists against the general practitioners, the rural people and the city doctor and I could never get an answer. I'm not saying this sarcastically, I'm saying that they are a group like a union. Their main thing is the advancement and a look at consultation. We're ready to consult and so on. But I would hope that he will stop saying that we are not talking to the medical profession because it is not true at all.

I don't think that there is any government in Manitoba that did more talking with the Medical profession. Sure, you might not like the doctors we talk to. For instance, we've talked to Clarkson and Vayda. Clarkson was a deputy minister for years in different provinces, he is certainly well known. He was hired for some special service by the Federal Government. A lot of people felt that it was a waste of money. First of all I wasn't responsible for that but nevertheless I think it was a good idea that you had somebody because you had people that wanted to spend \$36 million, another \$12 million and I think that it did help us in deciding what we were going to do.

But I will defend the idea of consultants as such because, Mr. Chairman, if I need some information and there is something special that I will need once in my term as Minister I don't want to hire somebody - and there is too much of that in the Civil Service. That you red circle people. You bring somebody in for a special job and then you red circle them and there he is put on a shelf at getting \$30,000 - \$40,000 a year and what for. There is an awful lot of that in the Civil Service and I don't like that and I would much sooner get somebody, get the best person I can get for a month, two months, a year if need be, pay them well and then he's out of the way. If I have something else in planning I will go along and get that expert. It's no use because we're going in Geriatrics to get a Geriatrician and bring him in, pay him well, he'll do a fantastic job and then I'm stuck with him for years. So I will defend that. I would ask my honourable friend, and I know that he's a fair man, but he is getting one side of the story.

All right. If we're going to play politics, that's clear. We know where we're going. We know that the medical profession is not in love with this government but many of the accusations are still not true. It is not a Socialist Government that is giving the medical profession any trouble at all. The same thing is going on and if you're going to be fair and if you're going to represent the people of Manitoba you're going to help the government and help the other provinces to get together and see where we could plateau this cost. Because we don't know where we're going if we keep on. We can't just listen to people that are in a position to generate revenue. They can be the best people in the world. I'd much sooner talk to Dr. so and so who is an expert in this field who is going to come and talk to me correctly than have something go through the MMA which is geared - and there's nothing wrong with that. But they're not the best people to plan. They are the people that are looking at salary and the revenue of the doctor. And as I say, I defend them, they have the right to do that, but that doesn't mean that we should be chastized because we don't give them the veto and so on and that some of the things

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(MR. DESJARDINS cont'd)that were mentioned in this House and in the Throne Speech are not factual. You know, if you want some information, I think you were told and I think that you know that I'm going to try and give you all the information possible, then if you want to have a partisan battle, a political battle, fine, so be it, but I resent some of the statements.

And the MMA, if you want to look at the MMA, you don't know how many doctors who have told me, why don't you get a few advisers, not necessarily the MMA. They won't say this publicly. The MMA is like any union, and there was some statements that have been repeated and repeated which are not factual. For instance they said that I would never sign an agreement. That is not factual. You know, and that is so unfair. If you're going to say that I said that I would never sign a contract or an agreement with a gun at my head, you're absolutely right. If you want to be different, if you want to be forced into something, what sense does it make to have a contract and agreement that other provinces haven't got? Remember that. You know, it's just the socialist provinces that have it. To make an agreement, and the main thing in this agreement is that we will work together, to defuse arguments, and then we're going to be threatened to sign this agreement, does it make sense? Could you co-operate with that? Could you co-operate if I had a gun at your head and say, "You sign this damn thing or you're in trouble." And especially if the paragraph said, "We will co-operate and work together and defuse." Does that make sense? Do you want to say, and if the MMA want to say that I refused to sign an agreement with a gun at my head, so be it. Exactly what I said. But to say that I don't want to sign an agreement and I have been depending on how this debate is going to go, I've got all the correspondence, and I've got facts, dates and figures, and so on to tell you how many times we offered to sign an agreement.

All right. Then to say unilaterally that I stopped this agreement. We had an agreement for a certain period of time. Now after that we either renew this agreement or we serve notice that we're not interested in renewing this agreement. We were discussing this agreement. In fact, I had unilaterally given them more money out of the Cabinet through me, gave them more money. We went to 9.5 and I don't think they dare say that's not enough. All right. There's one item that separates us, one item. And I will not take the credit or the blame alone. This was a duly elected government that said, rightly or wrongly, we are fighting, we are going to try to help Ottawa with a constraint, and we are saying that nobody will get more than \$2,400. And that is the thing that separates us. I told them that I realized that if this thing stayed for another year, then it would be 48 and there would be trouble. I asked that we work with them. A meeting that I had with certain people, they were very very pleased and it looked like we had an agreement. But then they have some, how should I call them, some people in that area that are spoiling for a fight. There's no doubt about that. And that's their right. But I hope that my honourable friend will - he can get all of his information from them, that is also fair, that's fair game. You know, many of them are supporters of you, they would like to defeat this government, fine. But I will not stand here and let you make statements that are not true. If you want to continue when you've corrected them, fine, then we'll have the battle and we'll prove it if need be. But I am saying that there have been more jobs. I've consulted with the College of Physicians, I don't know if it was done as much under any other Ministers, but I will not work under threat.

Now you know, it's okay to say the Minister said he will not sign a contract and forget this thing with a gun at his head. It's a different meaning, and if you want to be factual, if you want to muddle the water and make false representation, go ahead, but I don't think you're that kind of a fellow, and I hope you're not.

Then, it said, "What did we do?" We decided to work it unilaterally. These people met on a certain date, on January 7th, and they said, "if you haven't got a contract signed on that date," - there were negotiations going on, "if you don't have a contract signed on that date, we withdraw services." Well if nothing else, I had one victory that I had been after and that I talked about in this House before, we've got to make sure that this doesn't degenerate even more, in that the people feel that they're going to threaten government, free enterprisers working for their patients, and say that they are going to threaten government by saying we are going to withdraw services. They

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(MR. DESJARDINS cont'd) have fought and they want to keep the right to willingly accept the plan of the government, and that's their choice. If they had no other choice, if we said to them, if we were trying to control them, like sometimes you would like to indicate, that we're trying to control them, and if we say, "Everybody's got to be in the plan;" we don't say that. We say, "we want you in the plan, we think it's better for you, we think it's better for the patients, we know it's better for us, we want you." But instead of saying, "We would withdraw service" - and they have the right to do that, you know. And I hasten to say that the statement that I'm going to make is not happening in Manitoba. But not too long ago I was reading an article where a doctor stitched the patient, he couldn't pay for it, so he unstitched him. Now, I don't want this kind of stuff, and I say that the biggest majority if not all the doctors don't want it, and I'm sure that you don't want it.

So therefore when they said, "We will withdraw services from our patients," we said, "Well, don't put that gun at our head, it has nothing to do with us." I think that they then realized, they said on such a date they would, and they did, and if I have accomplished nothing else, I think that is important, because then we'll be responsible again, we'll be reasonable, let's fight for the wages. They have every right, the same as any union, the same as anybody else, to get as much revenue as possible. And I don't think that they're treated so poorly. It's odd that nobody is talking about this. That is the only point that Cabinet, and it's not Larry Desjardins the Minister of Health that decided that, it's the Cabinet. My hands are tied even if I wanted to do otherwise, I have to go along with the Cabinet. So it's not a question of arrogance or anything like that, it's a question that this government, who was duly elected, is saying, if we're going to go ahead and be tough on a certain group in society, we don't want anybody to make more than \$2,400.00.

Now, it's the principle, and I recognize the principle. When they brought it to my attention that it's not too bad this year but what happens next year if the controls are still on, you have 24 plus another 24, what are you going to do? And eventually there's that fear that we will control and pay them all, and instead of fee for service they'll be on contract. And I stated before and I'll state it again, I do not want to see the day where every doctor here is on salary. I prefer a mixture that we have now. So you know, there again, there's no battle. And I said to them, and the First Minister has said to them, we will look at that again, we will look at the situation of next year and it might be that this could be changed. You know there's nothing sacred. We did what we thought should be done, and that is the only thing between the medical profession and this government. So this business that it's a socialist government has nothing to do that we're trying to control. . . If anybody, we are controlling the doctors less than any other provinces, and I'm not inviting them to opt out; and I don't want to talk too much about this business of them opting in. I don't want to antagonize anybody.

But I am saying, if it's a choice that you are going to pull your service, withdraw service from your own patient as a free enterpriser, we'll say, no, no, you accept the responsibility, not us. And it is when they made that statement that I acted unilaterally and not a day before that. So my honourable friend, when you state and you go back to the date that I did this unilaterally come back and look in there at the date and look at the newspaper where it says "Doctors give Government one Week to Act", you know. So these are the things. Are you going to stand here today and tell me that we're not fair, we're not paying them well enough? They are well paid. There's no problem. If you want to attack this government because we said, "All right, we'll come hard and we'll resist labour," and labour has come here and made representation. And we've said that we're going to try because the Federal government at Ottawa has the right and we will try to help them go ahead and cut down on this inflation, and we've said that nobody will get more than \$2,400 increase. And that is not for the operating costs, on operating costs they get the full 12 percent on the whole thing. But on the revenue which is cut down, I don't know how often it has been cut down, and we've said, "we're going to pay you so much." Now everything would be fine if we would say, "The \$2,400 ceiling can be average," and maybe this is what we

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(MR. DESJARDINS cont'd)should say. And if you want to fight on that, fine that is the point that we should fight on, not on all this other BS that is not factual. If you want to say that, fine, you might have a point. But that is the only point.

So I'm not actually battling. I don't consider that I'm battling with the medical profession. I know that there are a few very very militant people. There is one for instance that hasn't been in this country very long. He was militant in his former country. He came here and he said, "Ladies and gentlemen, in Manitoba and in Canada be careful. See what's going in England." You know, don't have anything to do with the government at all. This is bad. We can see it in England - and we haven't got the same set-up as in England - and the first thing that he did he opted in and he is still in. You know, what are you going to say?

MR. CHAIRMAN: Order please. The hour being 4:30, time for Private Members' Hour. I'm leaving the Chair in accordance with Rule 19(2). I will return at 8 p.m. this evening.

. . . .continued on next page

PRIVATE MEMBERS' HOUR - PUBLIC BILLS

MR. SPEAKER: Order please. The first item on Private Members' Hour on Thursday is Public Bills by private members. Bill No. 41, proposed by the Honourable Member for Fort Rouge. The Honourable Member for St. Matthews.

Bill No. 48, proposed by the Honourable Member for Portage la Prairie. The Honourable Member for Fort Rouge.

MR. AXWORTHY: Stand.

MR. SPEAKER: Bill No. 55. The Honourable Member for Roblin.

BILL NO. 55 - THE TOWN OF DAUPHIN AND THE R.M. OF DAUPHIN

MR. J. WALLY McKENZIE (Roblin) presented Bill 55, an Act to amend An Act to repeal An Act to Validate and Confirm a Certain Agreement between The Town of Dauphin and The Rural Municipality of Dauphin, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Speaker, I don't have the notes of explanation. I've been waiting for days for the solicitor to send them to me and rather than hold up the proceedings of the House I'm prepared to let the bill go to committee and . . .
--(Interjection)--

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I move, seconded by the Honourable Member for Emerson, that debate be adjourned.

MR. SPEAKER: Order please.

MOTION presented and carried.

MR. SPEAKER: Resolution No. 20. The Honourable Member for Roblin.

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MR. McKENZIE: Well, Mr. Speaker, I move again, seconded by the Member for Lakeside,

WHEREAS the rates for telephone and electrical energy have been increased substantially in Manitoba in recent years, and where it is in the public interest to keep such utility rates within the economic means of all citizens, particularly the elderly and those on fixed income; and

WHEREAS the present sales tax levied on utility rates represents an unnecessary and harmful escalation in the costs of such utilities to all users; and

WHEREAS the public treasury should not be the beneficiary of increased revenues by virtue of the imposition of fixed percentage taxes on increasing rate structures;

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of repealing the sales tax on consumer Hydro and Telephone accounts at the earliest possible date.

MOTION presented.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Speaker, the many concerns that have been drawn to my attention of the escalating costs that people in this province are having to pay for their hydro and telephone bills brings to my attention the possible attention of the government of reducing some of those costs to this utility that is used by, I would daresay, every man, woman and child in this province that can speak. And that certainly, Mr. Speaker, I look at the enormous escalating tax dollars that's flowing into the treasuries of this government through economic inflationary measures and by Act of this government, Mr. Speaker. You see where in 1976 the revenue from sales tax was \$165 million; it'll grow this year to a whopping \$190 million. So, Mr. Speaker, I would think that it's time for the government and the members of the committee to sit down and see if we can't take some of this tax relief off the many people in this province who use these utilities, Mr. Speaker.

And, Mr. Speaker, it's a utility that's used by, I daresay, every home in Manitoba, and while I agree that certainly the tax is not on electrical energy that's used for

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(MR. McKENZIE cont'd) heating purposes, wood is exempt if it's used for heating and for cooking; natural gas again is exempt for heating, but it's not exempt for cooking purposes. And, Mr. Speaker, we go through all the various many taxes that this government is imposing on the people of the province at this time; I think it's high time that we reviewed some of the more type of nuisance taxes and that's what I would class this one that's being assessed to the Telephone accounts and to the Hydro accounts of citizens in this province.

And, Mr. Speaker, the concerns of people are well known as you move around this province, and there's an article that appeared in the paper the other day, by a man by the name of Andy Nabess from Thompson, is a classic example of how unhappy the citizens are in this province over some of the tax measures that this government is imposing upon them at this time and it's basically interfering with their own ability to provide goods and services for themselves which they could well do if the government would alleviate them of some of these nuisance taxes.

But I'll read - you'll find this letter is a rather interesting one and it sort of gives the tone of the average man, the average working man out in the country today as he looks around at the end of the year, analyzes and finds out how much bucks he's had to contribute to the Provincial Government or the Federal Government, and it goes on here, he says; "I have a big car because I have a large family. Another reason is I have a heavy boat which I have to pull behind the car." But he says, "Just how much money do you want me to pay for the things that I have worked hard for? How many taxes do you want me to pay on these things that I worked hard for?" He says, "On my car I paid about \$400 sales tax. On the boat and trailer I paid about \$500 sales tax." And he says, "Now the first reaction by some of the government's followers would be, "If you can afford to spend that much why can't he spend a few more dollars?" And of course, Mr. Speaker, his answer to that he says: "Did I not contribute a lot of money to the economy of this province and to Canada already." And Mr. Speaker, that is the tone of many many people, especially the working people in this province today. And this man goes on and he says: "I want to point out that I have worked hard and long for what I've got. Why do you keep hammering away at people that work steady and take these tax dollars away from us that we need so bad at this time?"

And, Mr. Speaker, that is the general tone of a great many people in this province today, and I offer a simple resolution to the government and to the members in the hope that we can surely take some of the tax load off the people, the people that use hydro for cooking, they use it for many meaningful tasks around the house, such as their vacuum cleaner, cleaning the house, and many other matters; and the same with the telephone bills. The telephone today is a very important thing out in the country, of people communicating back about farm work and various deals it's making and I don't think that at this particular time in our history that they should have to pay the taxes when these inflated tax dollars are flowing into the coffers of this government every year.

So, Mr. Speaker, I could go on and show where from the years 1970 to 1974 the actual revenue over estimate of this government is \$210 million in tax dollars. And it's interesting to see in the period when they assessed the Hydro and the Telephone, which I think was in 1974, that the estimated revenue for '73 was proposed at \$573 million; the actual was \$620 million. So there was an increase of \$47 million increased over what they anticipated.

But the following year when they started assessing the Telephone accounts and the Hydro accounts and the others that came in with that tax legislation, the increase, the estimated was \$694 million, the actual was \$772, and they got over \$78 million more than they anticipated during that particular year when the retail sales tax was repealed.

And, Mr. Speaker, it goes on and on the story. The more statistics that you read into it and the more figures that you put your hand on, you'll find out it's the little people, the hard working people, that the average Joe in this province is the guy that's paying the load.

In this province, Mr. Speaker, now these are the labour force. Let's look, these are the people that work every day. In 1969 there was 373,000 in this province.

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(MR. MCKENZIE cont'd) In 1976 the labour force had grown to 427,000. But Mr. Speaker, in 1969, that labour force contributed to the taxes of this government approximately \$398 million. Mr. Speaker, in 1976 that labour force contributed a million one in tax dollars to the coffers. --(Interjection)-- \$1,176,490,000.

And, Mr. Speaker, in 1976 I guess the government revenue that's likely going to be collected will be in that neighbourhood of a billion and sixty-five, I anticipate. Mr. Speaker, that is money that's been taken in, and no doubt the government needs some of it, I daresay at this time when we're facing the high costs of energy and the high costs of everything else, that surely we could find at this time a period where we could take some of their relief by removing the sales tax on their Hydro accounts and removing the sales tax on their Telephone bills.

Mr. Speaker, the average worker in 1969 contributed, I think it came out to about \$174 per worker - tax dollars to the government coffers. In 1976 those 427,000 workers that I mentioned, contributed \$678 per worker, taxes to the province. Now that's a whopping increase of about 390 percent. And, Mr. Speaker, I would think that the government will take a very close look at this resolution. I'm only asking them to consider the advisability of it at the earliest possible date. I think the resolution is timely, it's meaningful, and one that deserves the full attention of the committee and I hope it's approved.

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

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, the resolution that's proposed by the Honourable Member for Roblin is worded in the abstract. He asks the Government of Manitoba to consider the advisability, and we always consider the advisability of changes in taxation. I would inform the honourable member that we have a caucus committee on taxation that is an ongoing committee that functions year in and year out, and it is continually looking at various kinds of taxation, including the sales tax, and there are continuous modifications going on. So in that sense we will consider the advisability, in the sense that there is an ongoing review of taxation at all times. I am not making any commitment that the government will adopt the measure that the honourable member is proposing.

I would like to deal with a number of things he said. It seemed to me from what he was saying that he was saying that this government brought in the taxation on, the sales tax on telephones and hydro - was he saying this? Well that is so much irony. That is so much errant nonsense, Mr. Speaker. This government did not bring that tax in, and if he said otherwise then obviously he is either lying or he is ignorant and doesn't know differently. The honourable member entered this House I believe in 1962, did he, or was it 1966?

A MEMBER: He doesn't know.

MR. JOHANNSON: He doesn't know. He's not telling us, Mr. Speaker. Well, we can check the records. --(Interjection)-- His constituents still don't know, I'm informed.

However, the honourable member pointed out that there was a very substantial increase in tax revenues per worker in the work force, and the last statement that he made was that there was a 390 percent increase in tax revenues. I would have to check his figures, but the same kind of escalation of course occurred during the Roblin period. The Budget of the Province of Manitoba - and we've gone over this in the House again; the honourable member continues to repeat old arguments - the Budget during the Roblin period increased from around \$80 million to - what was it? \$380 million. There was a fourfold increase at least in the Budget during the Roblin period. The same thing has occurred during our period in government and, of course, we are the government during the period of very --(Interjection)-- 1966, well nevertheless there is no excuse for the member's ignorance, even though he was only here in 1966, he was part of a government for three years. Well '66, '67, '68 and '69, much of '69, three years and some. So he should know what his own government did and if he doesn't, well that is one reason why of course they are now in opposition. But there has been an increase in our revenue, certainly, but of course our expenditures have increased because government isn't immune to inflation.

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(MR. JOHANNSON cont'd)

Now the resolution makes the point that the rates on telephone and electrical energy are a hardship on the citizens, particularly those elderly and on fixed income. And, Mr. Speaker, I am not one who simply likes to call a resolution stupid without justifying it in terms of argument. The Honourable Member for Pembina yesterday repeatedly said that I was making stupid statements and, Mr. Speaker, that doesn't really hurt my feelings because most of here have been in the House for a number of years and one develops a bit of a thick skin after a few years in this House; otherwise one doesn't stay here. But, Mr. Speaker, if my arguments are to be called stupid, I don't mind that. I would like to have them proven stupid. Now I think that this statement is not a particularly bright one, the one that indicates that the elderly and those on fixed incomes are suffering because of utility rates.

What is the situation? What are the facts? And it's interesting when one looks at the facts. We find out, Mr. Speaker, that in telephone rates when one compares the rates between the cities across the country, Winnipeg has the lowest, the lowest residential and business rates for basic telephone service of all the comparable cities in the country - Winnipeg has the lowest residential and business rates. And it is even more interesting, Mr. Speaker, when one looks at the figures to find that the four provinces, the three provinces pardon me, that have public utilities running their telephone systems, all have relatively low rates, these are the lowest rates, for both business and residential. The highest rates - and the rates are much higher, they're quite a bit higher - are in the provinces which enjoy the glorious benefits of free enterprise. Now, Mr. Speaker, not only do those other provinces enjoy the glorious benefits of free enterprise but in most cases they also have higher sales tax, which have higher sales tax which are imposed upon those same business and residential rates. Toronto for example has seven percent as does Ottawa; Quebec City has eight percent; St. Johns, Newfoundland, Conservative Government, 10 percent imposed upon the highest rates in the country. And this is a good Tory province. So Manitoba then, Mr. Speaker, has the lowest rates in the country in terms of telephones.

Our hydro rates are not the lowest but they're among the lowest. Our hydro rates are very reasonable. Our hydro rates are rates that are calculated to cover the cost of providing the electricity to the people of the province, and the rates are quite reasonable. In fact studies that have been done indicate that in these areas of household services, Manitoba rates far below the national average, something like 20 percent below the national average, and it is the cheapest, it is the cheapest place for the consumer to live in the country. --(Interjection)-- I'm sorry, cheapest doesn't sound good. It is the least expensive in this area for the consumer. Now, Mr. Speaker, that's not a bad performance. That's a pretty reasonable performance.

We do have a sales tax which is imposed upon those rates, which are the lowest in the country, and of course our sales tax rate is five percent which, outside of the Province of Alberta, is the lowest rate in the country. And who put that sales tax on? Who put that sales tax on? The Honourable Member for Roblin, who should know better, said that we put that sales tax on hydro and telephones. Now, Mr. Speaker, yesterday I spoke about the imposition of the Revenue Tax Act by the Conservative Government in 1967. But, Mr. Speaker, the Tories didn't impose the tax on telephones and electrical service in 1967, they imposed it in 1964. They imposed it in 1964, earlier than the Honourable Member for Roblin entered the House. And, Mr. Speaker, I would like to read to the House the words used by the former Premier of this province when he spoke on the sales tax that was introduced on telephones and electricity, including electricity used for domestic heating, back in 1964. And I quote Premier Duff Roblin speaking to the House . . .

A MEMBER: He was a good man.

MR. JOHANNSON: Oh yes, he was a good man, I will admit that. Speaking to the House . . . Mr. Speaker, the honourable member wants effusive praise - I'll give him praise but not effusive praise. I want to quote the Honourable the Premier of Manitoba, Duff Roblin speaking to the House on August 17th, 1964 and I quote:

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(MR. JOHANNSSON cont'd)

"Again if these utilities" - and he refers to telephones and hydro - "we're not publicly owned they would undoubtedly be expected to pay their share of taxation in support of public needs." A good statement. "Under the circumstances, to provide for this contribution, a surtax of 5 percent is proposed on all purchases of electricity and local and intra-provincial telephone service. In order to maintain the present competitive situation, and in recognition of the present balance of consumption patterns, the surcharge will also apply to purchases of natural gas and coal. Fuel oil used for heating will be taxed under the Motive Fuel Tax Act at one cent per gallon."

Now, Mr. Speaker, there was a great concern for those poor little widows back in 1964. --(Interjection)-- There were no widows then, things were . . . And, Mr. Speaker, in 1964 then the Conservative Government brought in a tax, a 5 percent sales tax on telephones and hydro. And I want to also read to the members the statement of Duff Roblin about the imposition of a general sales tax. I'd like to read some of his thoughts on the general sales tax because they are well stated and I think they still have a great deal of validity. And I quote from the same speech:

"There is much to be said in its favour" - that is he's referring to the sales tax - "as a revenue source for provincial governments. No. 1, its revenue ability is great and it has a large growth factor."

Now, Mr. Speaker, let's read back that resolution, the fourth "And WHEREAS the public treasury should not be the beneficiary of increased revenues by virtue of the imposition of fixed percentage taxes on increasing rate structures."

You know it's amazing, Mr. Speaker, how things change when one is not in the government. It is really amazing how the attitude of a party changes when it is not in government and when it has no expectation of being in the government for a long time. And I would like to quote that statement by Mr. Roblin again.

"No. 1, its revenue ability is great and it has a large growth factor." In other words, as consumption increases with inflation, the tax revenue grows. Mr. Roblin was aware of it and he justified the imposition of the tax on that basis.

"No. 2 - and I quote again -"while sometimes termed regressive in that it can bear more heavily on lower incomes, the regressive features can be eliminated by appropriate exemption. Statistical evidence available elsewhere supports this.

"No. 3, it is paid for by all and therefore it is appropriate to consider it when seeking ways and means of relieving taxes that bear inequitably on a particular part of the community, the owners of real property, mostly small home owners and farmers.

"No. 4, while it has some economic disadvantages, these appear to be more than offset by its benefits.

"No. 5, while it is an untidy tax to collect, it has been widely accepted in the Canadian tax structure and its increasing use seems unavoidable."

Those are the statements, Mr. Speaker, of the Honourable Duff Roblin in 1964. --(Interjection)-- I am violating Conservative Rule No. 1 - I apologize to the House but his words struck me as containing so much wisdom that I thought I simply had to repeat them for the benefit of the Honourable Member for Roblin.

Now when the Conservatives introduced the general sales tax in 1967, they included the taxation of telephone service under the general sales tax and the taxation of electricity remained taxable under the 1964 Revenue Act, Part I. So when they brought in the general sales tax, Mr. Speaker, they obviously didn't think that it was wise then to exclude the taxation of telephones and hydro. Mr. Speaker, since we've become government in 1969 we've exempted many additional things beyond those items that were exempted by the Conservative Government in 1967, and this includes such things as safety equipment, used clothing, used footwear, used furniture, wood used for domestic heating and cooking, horses purchased for farm use, toothpaste, toothpowders, repair of footwear, and we've also raised the restaurant meal exemption to \$2.99. And these exemptions were intended, Mr. Speaker, to help the lower income groups who might be adversely affected in the purchase of these particular items.

However, Mr. Speaker, the major thing we did with the sales tax was to introduce the Cost of Living Tax Credit Plan. The Cost of Living Tax Credit Plan. And

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(MR. JOHANNSON cont'd) this tax credit plan, Mr. Speaker, was introduced specifically to provide additional help in meeting the effects of inflation for the lower income groups and also the senior citizens. And the Cost of Living Tax Credit is of course related to income, it's related to family size, and as the cost of living increases, as prices increase, the credit automatically increases, so the benefits are increased automatically.

Mr. Speaker, this year the maximum cost of living tax credit is what? It's \$141, which would, I would think, pretty well eliminate any sales tax paid by the lowest income groups, particularly senior citizens. It would eliminate any sales tax, and it would certainly, Mr. Speaker, more than eliminate the sales tax that those citizens have paid on telephones and hydro.

So, Mr. Speaker, I would think that the program that has been adopted by this government is far more effective, far more effective in reducing the impact of the sales tax than the measure proposed by the opposition. --(Interjection)-- Yes, the Honourable Member for St. George informs me that utilities would probably be less than \$20.00, the impact of the sales tax for lower income groups. So our cost of living not only wipes that out, but it provides benefits many many times that amount to the lower income groups in our society.

Mr. Speaker, in conclusion our government has nothing to apologize for in this area. We have nothing to apologize for. Our policies have been progressive rather than regressive, and they have certainly been far far far more progressive than those implemented by honourable members opposite when they were in government.

MR. SPEAKER: All those in favour of the Motion please say aye. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I'd like to say a few words on this resolution. I know the member in his resolution makes reference to telephones and electrical energy and, Mr. Speaker, I would consider both items as a necessity in life, and I know the Member for St. Matthews is saying that the credit plan or Cost of Living Credit Plan is much greater than the tax that is paid during the whole year as far as the sales tax is concerned on utilities. And he may be correct, but not very much, because if you look at the Cost of Living Tax Credit - I made mention to it before - I think that it may be a good principle in that legislation, Mr. Speaker, but it does so little for somebody that's making \$6,000, it may give him something like \$11.00 a month. Well certainly that's not a great assistance to somebody that's making not much more - I haven't got the Budget before me but I checked on it during the Budget Estimates and it's not that much more than that. I'd say the principle is fine but it certainly doesn't do much for the people. It doesn't do much when you give them so little, and probably the administration costs and everything else, so what we're having here when the member says that, you know, it's much greater, the Cost of Living Tax Credit than what we collect - he's right, but not very much. I would seriously consider that when the member says it doesn't affect too many people, and he may be correct, it doesn't affect somebody that's making a fairly good income, a middle income or so, but I have been into homes, Mr. Speaker, that - and I'm talking about senior citizens - and again the tax credit plan that the member talked about, I accept that too because I think it has been of great assistance to many people, particularly senior citizens. I think it's been a good plan. But many of these people, when you talk about hydro going up 25 percent, you're talking about energy going up, and I'll tell you what's happening: they say, well we don't watch the TV, let's turn the TV off, or we don't put the radio on too long. It's not that it's going to cost them that much more but it's a psychological effect that a lot of senior citizens have, and that's what they do. They say well the costs are going up again. And this is the fact because I've visited a few homes that people ask me can you come and help us fill out income tax - and I had difficulties filling out mine but after I started to follow the guidelines, it wasn't that difficult and I found that I could do it - and which I did on several occasions. But many people - and I am talking about people on very low income, I'm talking about people on fixed income and senior citizens particularly - it does have a bearing as far as they're concerned, Mr. Speaker. I know they've said well our hydro

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(MR. PATRICK cont'd) is going up again and we're not, you know, we're not going to use the light as much, we're not going to use . . . and perhaps the light or the TV, it uses very little electricity, or a radio, it uses very little, it's not a motor or it's not like some of the kitchen utensils that do consume quite a bit of electricity. But that's the psychological effect. So I believe that many of them are denying themselves of certain things and amenities they wouldn't.

And I know it may not mean too much but in my opinion I think that wherever possible, if we don't have to tax such things that are necessities of life, and I consider food and accommodation and perhaps heating, and I know we had some great debates in the House here when there was tax put on, I believe in '64, on heating and it was on all types of heating and after a considerable amount of debate and great debate, I believe that was withdrawn at that time. I know one member even got into difficulties because he said well, you know, there's a lot of . . . up north - at that time were trying to make points that the people way up in remote communities why if they have to buy even wood, why should they have to pay tax and the member at that time said well, there's a lot of wood, it doesn't affect us, and he found there were so many complaints from his constituents that he did reverse his position and very strongly, and then criticized that position of the government at the time.

So I am supporting the resolution. I don't know if it's practical or not to be implemented but I believe in the principle, the principle that where possible I don't believe we should be taxing heat; where possible I don't think we should be taxing accommodation; and we shouldn't be taxing food. That's my belief and I think that it perhaps doesn't raise that much revenue anyhow. The point is that we know that we cannot do away with the sales tax. It's pretty difficult, it's just bringing in too much revenue. It's bringing, I believe one member said close to \$200 million - well that's perhaps the biggest revenue producing mechanism that we've got in this province and that's why most of the provinces went to sales tax. But I believe, and the government has taken some action in some areas, that they've indicated themselves that they have reduced or eliminated tax on such things as some school supplies and children's clothing, and so on. And I think that was the right direction to go and what I'm trying to indicate; I think the principle in this resolution is a right one, it's correct. If we do not have to tax such things as hydro, which is a necessity for many people - I don't know how much revenue it brings and if one of the government members would have indicated to the House what kind of revenue this item alone brings, we perhaps would be able to debate it in a better informative constructive way than we can now because I don't know how much revenue it brings. But if it doesn't bring that much revenue, perhaps there is a cost factor involved in the collection of that revenue as well.

So what I am indicating, it does have an effect on low income people and it does have an effect on senior citizens, and some of them are perhaps denying themselves, not because it's going to affect them that much financially, but because of the psychological effect that they know there's tax, they know that the heating bills are going up, the telephone bills have gone up, and they're saying what can I do? Maybe I shouldn't have a phone. And that's a fact because I'm talking from experience that this spring that I've helped a few of the people fill out their income tax papers and that was their effect. They say how come our hydro will be going up and our telephone bills are going to be up and everything is going up. So they are concerned and it's a factor. So I'm saying I don't know the mechanics, how feasible it is, but I feel the principle is correct, and if we do not have to tax electrical or power and energy - because it is a necessity of life - I think it would be in the right direction. --(Interjection)-- I know, but I'm making reference to what took place in the House before when we talked about heating a few years ago, I believe it was in '64 when there was a proposition for heating tax and subsequently it was withdrawn. I'm talking about the hydro, the lights, and the telephone. I'm not so sure about the telephone but I'm certainly concerned because it doesn't make that much difference if the government doesn't collect its tax on the telephone bill, the utility will probably raise the telephone rate because they'll need to raise for perhaps expanding their program and keeping up the facility that has to be kept up, and I don't argue that perhaps

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(MR. PATRICK cont'd) the telephone is one of the finest utilities we've got anywhere in the country. But as far as the hydro and the energy for the lights, I believe that if it's possible, I think the principle is correct, and I want to support it.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, I rise merely to express a caution as to how this resolution is being dealt with and what it is supposed to portend. I think that the danger of passing an abstract resolution is not in the words that it portrays but in perhaps the expectations that flow from it. The government is in a constant position of considering its taxation position and it's for that reason, Mr. Speaker, that the Cost of Living Tax Credit was enacted instead of an exemption to sales tax, because - for the honourable member's benefit - the Cost of Living Tax Credit probably eliminates all sales tax for people in the lowest income groups. I would suggest that for a family, a pensioner and his wife who are living on \$7,000 a year, that fully half of that and perhaps somewhat more is spent on non-sales taxable merchandise, such as the lodging, such as food, such as gasoline for the automobile, things of that nature, leaving \$3,000 at most in disposable income. The \$3,000, if it was all spent, it would mean that one would be paying roughly \$150 in sales tax. The \$140 credit virtually eliminates that sales tax. And my figures have been rather general so it could be more and it could be somewhat less, but for the Honourable Member for Roblin, the fact is that that tax credit virtually eliminates the sales tax for lower income people.

However, the honourable member should be aware that we are every year in the process of considering these things and the danger that we would like to avoid, is any suggestion that we don't wish to consider. On the other hand I think that, despite the fact that we accept the fact that we will consider the advisability of doing this, that it should be wise to throw out a caution that it is very unlikely that it will change. So that the passing of the resolution doesn't raise hopes that there's going to be the elimination of a tax. And I know that the Honourable Member for Roblin would not want to create that impression, and therefore the thing that has to be underlined is that a consideration of the advisability of doing something, particularly with regard to a tax measure, doesn't mean the adoption of the resolution as was sometimes considered to be the case, in the case of the previous administration. So my contribution here, Mr. Speaker, is to try to emphasize that one should not expect that these taxes are going to disappear.

And I think that it's also worthwhile to say, Mr. Speaker, that even if the taxes were removed, which is unlikely, that given the fact that the expenditures have not been removed and no way of making up for the tax has been pursued in the resolution, that if these taxes were removed and they resulted in a loss to the Treasury of, let us say, \$20 million, there would have to be budgetary proposals put forward to raise \$20 million. And depending upon how these are put forward, we would have a debate in the House and I presume that if we put them on upper incomes that the opposition would say that we are starting a class warfare. So, all of these things flow from any interference with the taxation system, and I don't think that we are fooling anybody, or the opposition is fooling anybody, by suggesting that something be considered that nobody will get the impression that it is being removed.

The honourable member says that these utilities are essentials, you know, it is a fact and I wonder whether he wouldn't consider it and maybe he could make this resolution next year, that the telephone be installed as a right in every home in the Province of Manitoba, that you not charge the fee that is on it for basic telephone service, beyond the basic that you charge for. And then it would still be paid for - we would then raise a tax to pay for it. It would probably be cheaper, we wouldn't have to bill each citizen, etc., and the honourable member would have his way in having a utility made available to every citizen in the Province of Manitoba. If one took the logic of his argument, it would proceed in that direction, and may I say that it's not such a horrendous idea, it was adopted at a convention years ago of the New Democratic Party that we still provide the utility, it's still paid for by the populace, but rather than paying for it through the sending in of a bill, it's paid through taxes. It's still paid for. The citizens of the province would still pay for it but there would be the utility supplied and it would probably be less expensive to do it that way. I repeat, you wouldn't have any accounts in arrears, you

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(MR. GREEN cont'd) wouldn't have any disconnections because somebody didn't pay their bill or things of that nature. If you really believe that this is a basic utility which should be provided and you want to cut down the sales tax, become a little bit more progressive, think of cutting out the premium fee that you charge for telephones. It might be something that appeals to my honourable friend in view of the argument that he has given. In any event, that's just food for thought, that is not a proposal.

I am, Mr. Speaker, rising to speak to the resolution only to express a word of caution that nobody get the impression that the tax is being removed. What is being done is that this, together with all other tax programs, will be considered and the advisability of proceeding or not proceeding will then be decided when next year's Budget comes along.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. I rise to support the resolution that the Honourable Member for Roblin has put before the House, and I do so because I believe in principle what we're looking at is whether or not the right to see in Manitoba is a luxury or the right to communicate is a luxury, and to what degree is that luxury going to be taxed. And I suggest, Mr. Speaker, that what this government is inheriting and receiving is an ever-increasing tax burden on the users of these particular utilities, and not only that, this government, with this type of taxation, particularly on the Hydro bill, is benefitting by the mistakes it made in the north, in the development of the northern hydros.

And I suggest, Mr. Speaker, that the ever-increasing hydro rates that we're now receiving would not have been as high, and I suggest there has been waste in the north and as a result as the rates go up, this government is going to get 5 percent tax on these increases. And I suggest, Mr. Speaker, that what this government is now looking at for the same amount of light, the same amount of light that a person receives in his home, if he paid \$10.00 for that amount of light a month ago, is now paying \$14.00. But not only that, out of the same amount of light that he's receiving, he's now going to have to pay 70 cents tax for that same amount of light instead of 50 cents.

MR. GREEN: Will the honourable member permit a question?

MR. MINAKER: Well, Mr. Speaker, I've always had the policy when I spoke and when I listened that I don't interrupt the people when they're speaking but I'd gladly answer the question afterwards. And I don't think I have ever changed from that policy, Mr. Speaker, so I will be glad to answer later on.

But, Mr. Speaker, this government is benefitting by their mistakes, and this is the area where they are. There's no doubt about it that because of higher capital costs, because of political decisions made by this government in changing of initial plans and designs that would have been far more efficient, that would have been far more productive, has resulted in higher hydro rates. And now we find that the people of the Province of Manitoba are having to pay 5 percent on those higher increased rates. So when one looks at it, for the same amount of light that one received three years ago, that they maybe had to pay 50 cents taxes on if it was \$10.00 worth of light, they're now going to have to pay \$14.00 for that amount of light, but not only that they're now going to have to pay 70 cents worth of tax on that light. But it's not normally \$10.00 for electricity for a home, I think probably an average figure would be somewhere around \$25.00 per month. So we're not looking at a \$10.00 to a \$14.00 increase, we're looking at a much higher increase in the taxes and the cost for this type of service.

And, Mr. Speaker, then we look at this government exporting the power to outside of the province at a much reduced rate to what the citizen can buy it here for; and they have not offered it to the citizens here or the industry here if they could utilize this particular power . . .

A MEMBER: There's no sales tax on that.

MR. MINAKER: And I don't know whether they claim any sales tax from the user across the line, and yet we have the people in the north asking for rates equivalent to the rates in the more densely populated areas, and they I would say probably use a higher amount of electricity for light, etc., than we do possibly in our most southern parts of the province, and yet they pay more for it and they have to pay obviously more tax on it.

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(MR. MINAKER cont'd)

So, Mr. Speaker, I hope that the government will give some consideration to the proposal before us, because I can see the thought of the tax being kept constant or not increasing as the rates go up if the citizen was profiting by it - and I'm talking now about the residential citizen. I realize that industry profits by the use of electricity and the use of light; when they're open for business they obviously are making a profit, if they're privately run. What I would think is, that if private people were making a profit off it, I think the only profit they get from it is maybe gaining in knowledge from reading or viewing or taking part in communication, but the individual homeowner or resident really doesn't profit by seeing in terms of dollars, yet he will have to pay increased taxes for the same amount of light. We can understand him paying increased costs for the light as costs go up, but to pay increased taxes for that same amount of light, same amount of energy, to me doesn't make sense, because there's not at this present time a shortage of that light or shortage of that energy because obviously they're selling it to the people across the line for reduced rates, and they obviously have surplus power. But as a result of the system that the present time the government has control of and the citizens are locked into, they are having to pay a higher tax for that same quantity of energy and that same quantity of light, because of the inflation times that we're in and because of errors made by this government in the operation of their hydro.

The same things holds true, Mr. Speaker, with regard to communicating in our province, that the individual - I think it's a right for individuals to be able to communicate with one another over a long distance by telephone - and in most cases when it's a personal call and not a business call there isn't going to be any profit made in terms of dollars from the conversation, so why should the individuals have to pay ever-increasing tax for that minute of conversation, or those three minutes of conversation, or that call to somebody across the street or across the city? So as the monthly rates go up or as the person uses the long distance portion of the phone he has to pay more tax.
--(Interjection)--

Well, Mr. Speaker, the Honourable Minister responsible for Autopac said we should have said that to the predecessor. How does he know that I didn't? I ask through you, Mr. Speaker, I ask the Honourable Minister, how does he know I didn't ask that of my predecessors? To me I feel it's a right for people to see and to communicate in our province and I cannot see that there should be an ever-expanding tax paid on this. The rebate tax has been used in many ways and now we heard another way today given by the two members of the government explaining again the rebate tax, but I suggest, Mr. Speaker, how many times can we use the rebate tax? --(Interjection)--

A MEMBER: Different rebates.

MR. MINAKER: Different rebates. Mr. Speaker, the Honourable Minister of Mines says, are we going to eliminate this one too?

Mr. Speaker, there's taxes everywhere and the government would like everyone to believe that when we form the government we're going to take everything away from the people and not give anything back. That's what they firmly believe in . . .

A MEMBER: They're trying to tell the people.

MR. MINAKER: . . . and they're trying to tell the people that, and I'm sure the people of Manitoba know otherwise. But I sort of strayed from the subject, Mr. Speaker, and my apologies for commenting on that particular subject.

Well, Mr. Speaker, I hope that the government will support this resolution before us, because I think that it's common sense that the people of our province should have a right to see and the right to communicate, that there shouldn't be an ever-increasing tax having to be paid for the same amount of light one receives or the same amount of time that a person speaks to another person, they shouldn't have an ever-increasing tax on that one.

MR. SPEAKER: Do the members wish me to put the question or do they want to call it 5:30? 5:30, very well.

The hour being 5:30 I am now leaving the Chair and the House will reconvene at 8 p.m. in Committee of Supply with the Deputy Speaker in the Chair.