

Name	Electoral Division	Address
ALEXANDER, Keith	Roblin	Roblin, Man.
BAIZLEY, Obie	Osborne	185 Maplewood Ave., Winnipeg 13
BJORNSON, Oscar F.	Lac du Bonnet	Lac du Bonnet, Man.
CAMPBELL, D. L.	Lakeside	326 Kelvin Blvd., Winnipeg 29
CARROLL, Hon. J.B.	The Pas	Legislative Bldg., Winnipeg 1
CHRISTIANSON, John Aaron	Portage la Prairie	86-9th St., N.W., Ptge. la Prairie, Man.
CORBETT, A. H.	Swan River	Swan River, Man.
COWAN, James, Q.C.	Winnipeg Centre	512 Avenue Bldg., Winnipeg 2
DESJARDINS, Laurent	St. Boniface	138 Dollard Blvd., St. Boniface 6, Man.
DOW, E. I.	Turtle Mountain	Boissevain, Man.
EVANS, Hon. Gurney	Fort Rouge	Legislative Bldg., Winnipeg 1
FORBES, Mrs. Thelma	Cypress	Rathwell, Man.
FROESE, J. M.	Rhineland	Winkler, Man.
GRAY, Morris A.	Inkster	141 Cathedral Ave., Winnipeg 4
GROVES, Fred	St. Vital	3 Kingston Row, St. Vital, Winnipeg 8
GUTTORMSON, Elman	St. George	Lundar, Man.
HAMILTON, William Homer	Dufferin	Sperling, Man.
HARRIS, Lemuel	Logan	1109 Alexander Ave., Winnipeg 3
HARRISON, Hon. Abram W.	Rock Lake	Holmfield, Man.
HAWRYLUK, J. M.	Burrows	84 Furby St., Winnipeg 1
HILLHOUSE, T.P., Q.C.	Selkirk	Dominion Bank Bldg., Selkirk, Man.
HRZHORCZUK, M.N., Q.C.	Ethelbert Plains	Ethelbert, Man.
HUTTON, Hon. George	Rockwood-Iberville	Legislative Bldg., Winnipeg 1
INGEBRIGTSON, J. E.	Churchill	Churchill, Man.
JEANNOTTE, J. E.	Rupertsland	Meadow Portage, Man.
JOHNSON, Hon. George	Gimli	Legislative Bldg., Winnipeg
JOHNSON, Geo. Wm.	Assiniboia	212 Oakdean Blvd., St. James, Wpg. 12
KLYM, Fred T.	Springfield	Beausejour, Man.
LISSAMAN, R. O.	Brandon	832 Eleventh St., Brandon, Man.
LYON, Hon. Sterling R., Q.C.	Fort Garry	Legislative Bldg., Winnipeg 1
MARTIN, W. G.	St. Matthews	924 Palmerston Ave., Winnipeg 10
McKELLAR, M. E.	Souris-Lansdowne	Nesbitt, Man.
McLEAN, Hon. Stewart E., Q.C.	Dauphin	Legislative Bldg., Winnipeg 1
MOLGAT, Gildas	Ste. Rose	Ste. Rose du Lac, Man.
MORRISON, Mrs. Carolyne	Pembina	Manitou, Man.
ORLIKOW, David	St. John's	179 Montrose St., Winnipeg 9
PAULLEY, Russell	Radisson	435 Yale Ave. W., Transcona 25, Man.
PETERS, S.	Elmwood	225 Melrose Ave., Winnipeg 15
PREFONTAINE, Edmond	Carillon	St. Pierre, Man.
REID, A. J.	Kildonan	561 Trent Ave., E. Kild., Winnipeg 15
ROBERTS, Stan	La Verendrye	Niverville, Man.
ROBLIN, Hon. Duff	Wolseley	Legislative Bldg., Winnipeg 1
SCARTH, W.B., Q.C.	River Heights	407 Queenston St., Winnipeg 9
SCHREYER, E. R.	Brokenhead	Beausejour, Man.
SEABORN, Richard	Wellington	594 Arlington St., Winnipeg 10
SHEWMAN, Harry P.	Morris	Morris, Man.
SHOEMAKER, Nelson	Gladstone	Neepawa, Man.
SPELLIE, Robert Gordon	Birtle-Russell	Russell, Man.
STANES, D. M.	St. James	381 Guildford St., St. James, Wpg. 12
STRICKLAND, B. P.	Hamiota	Hamiota, Man.
TANCHAK, John P.	Emerson	Ridgeville, Man.
THOMPSON, Hon. John, Q.C.	Virden	Legislative Bldg., Winnipeg 1
WAGNER, Peter	Fisher	Fisher Branch, Man.
WATT, J. D.	Arthur	Reston, Man.
WEIR, Walter	Minnedosa	Minnedosa, Man.
WITNEY, Hon. Charles H.	Flin Flon	Legislative Bldg., Winnipeg 1
WRIGHT, Arthur E.	Seven Oaks	4 Lord Glenn Apts. 1944 Main St., Wpg. 17

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, February 17th, 1961

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions
Reading and Receiving Petitions
Presenting Reports by Standing and Select Committees
Notice of Motion
Introduction of Bills
Orders of the Day

HON. DUFF ROBLIN (Premier) (Wolseley): I apologize, Mr. Speaker, if I interrupt my honourable friend, but there is another motion of condolence that I would like to move this afternoon before we begin our proceedings. The Province of Manitoba lost one of its pioneers; this House lost a former member in the death in January of this year of Gudmundur Fjelsted at the very advanced age of 89 years. Mr. Fjelsted was an immigrant to Canada. Born in Iceland, he came here in 1885 when he was 13 years of age, and about the turn of the century moved to the Gimli district where he lived the rest of his life as a farmer, fisherman and as a good citizen. He won for himself an excellent reputation as a farmer in that district, being particularly interested in the breeding of cattle and he was, for many years, the president of the Manitoba Co-operative Creameries Association. In 1920 Mr. Fjelsted was elected to this House as a member of the Farmers' Party and sat here for three years until 1922. Though he did not return here, nor did he continue to be active in provincial politics, he continued to serve the municipality of Gimli for many, many years as a councillor; and was a gentleman who was well and very favourably known indeed among all his friends and neighbours, one of whom is the present member for Gimli, the Honourable Minister of Health and Public Welfare. So, Mr. Speaker, it is my duty this afternoon to move this resolution of condolence in the memory of this good citizen, of this pioneer of our province and former member of this Legislative Assembly.

So I move, Mr. Speaker, seconded by the Honourable Minister of Health and Public Welfare, that this House convey to the family of the late Gudmundur Fjelsted, who served as a member of the Legislative Assembly of Manitoba, its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service; and that Mr. Speaker be requested to forward a copy of this resolution to the family.

Mr. Speaker read the motion.

HON. GEORGE JOHNSON (Minister of Health and Public Welfare)(Gimli): It is with great pride that I am able to second the motion of the Honourable the First Minister in expressing the condolences of this House to the family of the late Gudmundur Fjelsted. Mr. Fjelsted was one of that hearty stock who came to Manitoba during the '80's and lived in Winnipeg for a few years before settling in what is known as the Minerva District, just on the outskirts of Gimli, where he purchased a farm which had been a homestead of a former original settler. I came to know Mr. Fjelsted very well, both as a friend and as a patient of mine during my years in practice in that area. Mr. Fjelsted was a big man in everything he did. I think following his political life he retired to a relatively quiet life with his family about him. However, he kept farming until he was about 75 years of age and then moved into the town of Gimli where he and his wife spent some time, until more recent years they moved into the fine home we have in Gimli for our senior citizens. Throughout his time I think that Mr. Fjelsted can best be described as a very kindly and warm and friendly person who was very scholarly. For many years he ran, I think single-handedly, the purchasing and dispersal of books from a small library which has existed in Gimli for many years and which he would often take his friends to show them what he had read. I don't think there was a saga of the early days that he had not perused and he was a most interesting person. Fortunately his avid reading was helped by good eyesight, which is unusual amongst the Icelandic people. However, he maintained his activities and eyesight until the very end, dying at the great age of 89, a little over a month ago. He has six children living in the Province of Manitoba. One of them is a physician in Brandon, Dr. Fred, and the rest of his sons and family are still in the Gimli district. It is therefore with

(Mr. Johnson (Gimli), cont'd.) great pleasure that I second this motion in expressing our sympathies to the late Mr. Fjelsted's family. Thank you.

MR. D. L. CAMPBELL (Leader of the Opposition) (Lakeside): Mr. Speaker, unlike the seconder of the resolution, I did not have the opportunity of knowing the late Mr. Fjelsted well. I came in to the next House after the one in which he served. As the First Minister has mentioned, he was elected in 1920 and was allowed to go back to work in his own pursuit in 1922, and that was the time that I entered this veil of tears. The seconder of the motion mentioned that he was a big man. I had occasion to meet him, on one or two occasions, and I remember that he was a big man -- physically, mentally and morally. I had another connection with him because when I came in here I moved into the seat that he had occupied in this House. That seat has certainly been occupied by big men because, as the Honourable Member for Rupertsland mentioned yesterday, he moved into the seat that his predecessor had occupied, and that is the same seat that Mr. Fjelsted and I had the pleasure of occupying too. So it's still occupied by a big man and a good man. This is an occasion, Mr. Speaker, as those of yesterday, when we pay tribute to the work that former members have accomplished in their community and in public life in general and, of course, express condolences to the members of their families. The seconder of the resolution, who now represents that constituency, has mentioned the fine work that Mr. Fjelsted did in his own community and I am sure that he and his family will long be remembered there. Our group would like to join, Mr. Speaker, in both the tribute to the worthiness of Mr. Fjelsted's contribution and the expressions of sympathy to his family and friends.

MR. MORRIS A. GRAY (Inkster): Mr. Speaker, I did not know this gentleman in question but I want to pay respect to those men who have, years ago, perpetuated and worked for a free and democratic country and have served this House in perpetuating and giving me an opportunity to come here to this House. If not for their work, if not for their efforts to establish a system of freedom, a system of democratic system, a freedom of this Legislature, perhaps I and others would not have the opportunity to serve the people at this time. So speaking personally, not knowing the late gentleman, I say that I am very happy to know that people years ago have established a system and a seat for me, who have come here, in this country of peace and freedom. So I join, and my group joins in expressing our sympathy to this gentleman who has built and created, with his work, an opportunity for others to come and perpetuate his work which was so noble. Therefore, Sir, I join, and our group joins with sincere sympathy to the family and our admiration for one that had a vision to work and perpetuate the freedom that we have now.

MR. SPEAKER: Members please rise in remembrance of the late member.

MR. SPEAKER: Orders of the Day.

MR. S. PETERS (Elmwood): Mr. Speaker, first of all I would like to apologize to the First Minister that I didn't notice him get up. Now, Sir, I would like to draw to the attention of the members of this House to a group of students sitting in the gallery to your right -- there's 25 of them. They are with their teacher Miss Gurr. They come from Elmwood High School which is situated in the best constituency in Manitoba -- Elmwood.

MR. EDMOND PREFONTAINE (Carillon): Mr. Speaker, before the Orders of the Day, I would like to direct a question to the Honourable the Attorney-General. Mr. Attorney-General, you have been reported in the French paper of yesterday as having stated in LaBroquerie last Sunday that your government was providing equality of educational opportunity to all children in Manitoba. My question is, do you think that your government is providing equality of educational opportunity to all children when it contributes approximately \$250 for the education of a child attending one type of constitutional school and not a cent for the education of a child attending another type of constitutional school?

HON. STERLING LYON, Q. C. (Attorney-General) (Fort Garry): I don't believe that that newspaper story, which I have not seen, deserves any comment.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Speaker, before the Orders of the Day are called, I would like to congratulate the Honourable Members for Wellington, River Heights and Winnipeg Centre on their elevation to Cabinet ranks; and I wish to express to the First Minister, too, my appreciation of the very subtle and novel way of which he has of announcing appointments to Cabinet.

HON. J. B. CARROLL (Minister of Public Utilities) (The Pas): Mr. Speaker, before the Orders of the Day, I'd like to answer a question that was directed to me the day before yesterday by the Honourable Member for Selkirk who is concerned about the completion of the Manitoba Telephone System building and what effect the financial difficulties of Supercrete Limited might have on the completion of this building. I'd like to say that we still have hopes that this Company will be able to fulfill their commitment. We understand that negotiations are under way at the present time which may enable them to complete it. The architects of the System and the System itself have been very closely in touch with the situation since their financial difficulties have been announced, and we have ascertained that another source of supply of facing material is available and that we need not delay our scheduling as a result of this difficulty. Now a supplementary question was asked: "Did the design preclude the use of limestone building materials on that job?" and I must confess that the design of the building did do that. However, there was no predertermination on the part of the System or the architects to preclude any kind of material, but I would like to say that as the design developed it became obvious that a pre-cast facing was much more practical than using a coarsing material and building stones. For instance, the design requires very large panels, some as high as 13 feet by about 4. There are column covers which can be designed much more easily with pre-cast materials and there is another problem with the air-ducting and the heating system which of course makes the pre-cast material much more practical in this particular building.

MR. GRAY: Mr. Speaker, before the Orders of the Day -- a few days ago I telephoned the head of the Social Assistance Department for certain information and he suggested that I ask the Deputy Minister of Health. I telephoned this Deputy Minister of Health. I didn't get the information and just this morning I had a message from that department that I should put in an Order for Return. My question is, is it necessary to go through all this bally-hoo in order to get very simple information of that Department?

MR. ARTHUR E. WRIGHT (Seven Oaks): Mr. Speaker, before the Orders of the Day, I should like to tell the House how happy we are in Seven Oaks today over the fact that the John David Lyon Rink will represent our province in the Canadian Curling Finals. You will recall, Mr. Speaker, that last year I rose and drew the attention of the House to the fact that John David, then stationed at Goose Bay, Labrador, won the right to represent Newfoundland in the Canadian finals and I expressed concern at that time over Manitoba's chances. J. D., as we all know him around the rink, was transferred back to Manitoba and of course to the West Kildonan Curling Rink where he reunited himself with three of his school chums who also learned their curling in the High School League in West Kildonan. These lads have earned the right to represent Manitoba by their fine wins last evening over those wonderful boys from Portage, and I know they will give a fine accounting of themselves in the playdowns. I know I speak for all of you when I say to Leo Kelsch, Bill Zaporzan, Leroy Herman and John David Lyon, good luck boys, we are all proud of you.

MR. ROBLIN: Mr. Speaker, I wonder if I may have the liberty of making a short reply to my honourable friend the member for Inkster, because he didn't get an answer in the course of the proceedings. I think that it would be helpful if he would make his request for information in the form of a return, then of course it is shared with all the members of the House and become a matter of the record, and if it wouldn't unduly inconvenience him, I think that I would make that suggestion to him.

HON. GURNEY EVANS (Provincial Secretary) (Fort Rouge): Mr. Speaker, before you call the Orders of the Day, may I lay on the table the Report of the Board of Internal Economy Commissioners and the Annual Report and Statement of Accounts for the fiscal year ending March 31st, 1960, of the Manitoba Development Fund.

Mr. Speaker, I wonder if I might have your permission, Sir, to refer to some of the changes that have been made in the accommodation and amenities of the House before we proceed with the Orders of the Day.

I should like to call the members' attention to some changes that have been made, and I see the Honourable Member for Seven Oaks is smiling because he drew attention to this subject last year. We did examine his suggestions most carefully and found that they were all carefully thought out and have been able to adopt a certain number of them. You will notice, Mr. Speaker, that the sound in the Chamber has been reinforced by two means. First, the

(Mr. Evans, cont'd.) . . . regular overhaul of the equipment that's on the desk, both the loudspeakers and the microphones; and also by the addition of a number of loudspeakers in the galleries. I have been told, although I haven't had the opportunity to be there myself yet, that the sound in the galleries is better than it has been and that has had the effect, I believe, of reinforcing the sound in the Chamber.

Members will have noticed that the water service in the Chamber is somewhat changed. It is now water that is provided through a regular cooler for that purpose and not merely drawn from the wash taps in the locker rooms. It's kept in a thermos bottle in the Chamber here and service is by means of plastic cups which are disposable and of course are not re-used, it being considered that somewhat more sanitary in these modern days -- (Interjection)-- It's still only water. I regret that my honourable friend's Scotch background cannot be accommodated any further than that.

It will be noticed that there is an additional committee room for the use of the committees of the House -- No. 254. It's hoped that this committee room being a one-storey will provide better acoustics than room No. 200. It has the further convenience of being near to the Chamber, near to the locker rooms, nearer to the telephones, nearer to the library. It's hoped that for ordinary committee meetings of the Chamber that that room will be more convenient. Room No. 200 will still continue to be available and to be used, perhaps with a new seating arrangement as our plans develop. For the larger delegations and larger meetings; and for that purpose a public address system, a portable public address system will be provided for use at least in Room 200 and elsewhere as required. I think we noticed the advantages at the time of the Royal Commission on Freight Rates hearing of having a public address system, and this one will be established so that the members sitting at the tables will be picked up by microphone -- I was going to say delegate -- yes, any delegate offering a brief to the committee will be at a microphone and there will be three loudspeakers -- a number of loudspeakers, perhaps three, on tripods that are to be placed about the chamber to the best advantage.

Then members will have noticed that there is a lounge room now in Room 234 where chairs have been provided -- padded chairs for those who want to change their location during the course of a long debate; and also writing desks for those who want to sit there and prepare their speeches.

I'd like to call particular attention to the coffee dispenser that has been provided by the Canadian National Institute for the Blind. On that coffee dispenser there are cups, and hot coffee is available, cream and sugar, and not only that but cigarettes, biscuits and chocolate bars. There are being provided by the Canadian National Institute for the Blind and I'm sure we're all glad to support that charity. I would point out that payment for these is on the honour system, and if anyone should neglect to pay or if anyone should be too tempted by the availability of cash in an open tray there, they will in fact be robbing the blind. Now I know that will not apply to the honourable members of the Chamber. We must all hope that there will be no occasion when some passing stanger in the halls will depart with some of the cash there because one knows of the difficulties that come, say in a Club where theft is suspected, and people become uneasy with each other and I'm sure it will not. I know that the Commissionaire is going to be alert to that situation, the Commissionaire that is out in the locker room and in charge of the other one, and I am sure that it will be a convenience and that it will not result in any losses to the Canadian National Institute for the Blind.

Members will have noticed in the locker room and washroom that the lockers have been repainted, that the fluorescent lights have been installed, there's a water cooler, and paper towels have been supplied in addition to the regular towels.

Accommodation for the press has been enlarged by the addition of another room 25 feet by 30 feet with three enclosed telephone booths which we hope will be more convenient for the members of the press to be able to phone their respective desks without overhearing each other or being overheard by each other. In that space there is allowance also for the TV and radio people to conduct their operations which they will do with their own equipment.

I would like to mention to the honourable members that we have tried to secure proper equipment for ash trays and waste paper baskets and the samples that we got were simply not suitable. They did nothing but cheapen the appearance of the Chamber. We're still investigating that and our thought is that we might use the space formerly occupied by the ink well for an

(Mr. Evans, cont'd.) ash tray. I personally would like to see us preserve these fine bronze, if that's the correct metal, these fine bronze provincial crests that are on top of the ink wells — perhaps enlarging the hole, putting in an ash tray underneath and using the same lids. That is progressing. We are a little puzzled about what to do about waste paper because any receptacle large enough would impede our getting about between the chairs and getting up and down the aisle. These two matters are still under consideration.

Thank you, Mr. Speaker, for allowing me these moments to call attention to these changes.

MR. GRAY: Mr. Speaker, with all the added facilities can the Minister guarantee that we will have a quorum in the House?

MR. W. G. MARTIN (St. Matthews): Mr. Speaker, we are interested in what the Minister of Commerce and Industry has said with regard to the improvements in the hearing facilities in the Chamber, and as Chairman of the Committee of the Whole, I would like to put it upon the minds and the consciences of the members, and it would apply at any time during the session, that here are the loudspeakers. The tendency for some speakers is to go halfway between; pay little attention to hear, but if we would concentrate in speaking upon these little instruments here, then it will help very much in our hearing what is being said if we desire to listen.

MR. CAMPBELL: Mr. Speaker, in regard to the report that the Minister of Industry and Commerce tabled a few moments ago, I didn't notice that there were additional copies. Is it the intention to supply copies to all the members, or just the groups?

MR. EVANS: Mr. Speaker, I understand the Leader of the Opposition would be referring to the Manitoba Development Fund report.

MR. CAMPBELL: That's the one I am particularly interested in.

MR. EVANS: The regular nine copies, I understand it, are filed there which provides copies for the leaders of the groups. Other copies are available. Any additional copies that are desired, would any member speak to me and I'll be glad to give him one.

MR. J. M. FROESE (Rhineland): Mr. Speaker, may I be permitted to address myself to the Honourable Minister the Provincial Secretary, in asking him and also requesting that the same facilities be provided to myself this year as were last year. Apparently I'm being denied a private office or an office for my use, which I require. I hope the matter will be reconsidered and that facilities will be provided.

MR. EVANS: Mr. Speaker, the matter of awarding rooms was decided on the basis of providing accommodation to the official parties, and as I think it will be recognized by the honourable member, a party is recognized when they achieve 5 percent of the popular vote in the last election. It is for that reason that it is not particularly recognized as a party for purposes of assigning rooms.

MR. SPEAKER: Orders of the Day. Proposed motion by the Honourable Member for Inkster.

MR. GRAY: Mr. Speaker, expecting a very interesting address of my Leader, I'm not one to interfere with it. I would ask the House's permission to have the matter stand.

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for Arthur and proposed amendment of the Honourable the Leader of the Opposition. The Honourable Leader of the CCF Party.

MR. RUSSELL PAULLEY (Leader of the CCF) (Radisson): Mr. Speaker, in rising to take part in the reply to the Speech from the Throne may I first of all, Sir, offer you my personal pleasure at seeing you look just as well as you have done for awhile. I, like the Leader of the Opposition, trust that your tenure of office will not be too long; but I say to the Leader of the Opposition, I have my doubts as to whether he or his party will have anything to do with the choosing of your successor.

I would like, Mr. Speaker, to welcome officially to the Chamber the new Member from Pembina. I am sure that she will make a very valuable contribution to this House. I want to express my regrets to her that my Party did not have a candidate in the by-election of Pembina which may have impeded your entry into this House. But, nonetheless, we welcome you Madam, and trust that you will enjoy the sittings of this Legislature. And while at times it may seem that those of us on this side of the House are somewhat bitter to those across the Chamber, I

(Mr. Paulley, cont'd.) . . . can assure you that after the House rises it's traditional, as I have found in the relatively few years that I have been here, to find that we join together as individuals and as friends.

I was very interested in the speeches of the mover and seconder of the speech in reply. I think both acquitted themselves well. I somewhat sensed in the speech of the mover of the Address an indication that the Conservative Party are not too happy with the manner in which premiums are collected or in respect of hospitalization, for he indicated that he was in favour of deterrent charges in respect of hospitalization. And I might say he readily found that the Leader of the official Opposition was in his usual manner in agreement with that type of legislation. So I say to both of the honourable members who spoke, you did a fine job.

And now, Mr. Speaker, I'd like to say a word or two in reference to yesterday's speech of the Honourable the Leader of the Opposition. I sincerely trust that I will forget enough of my notes that I don't stand on my feet as long as he did yesterday. But I was listening with great interest to my honourable friend when he was tackling the government, and it is our duty on this side of the House to draw to the attention of this Legislature what we think are failings of the government, and to propose alternatives. But, Sir, one of the items that my honourable friend the Leader of the Opposition touched on is a matter of grave importance to the people of the Province of Manitoba. I am referring to the statements of my honourable friend in connection with the Department of Public Works. The Leader of the Opposition accused the government of using roads and the construction of roads for political purposes, election bribes and threats. I quote now from Hansard -- in order that there be no mistake, here's what the honourable the Leader of the Opposition said and I quote, "Strong words and I mean them and I am prepared to back them up. I invite my friend the Minister to ask me to back them up. I am prepared to, I am anxious to, I welcome an opportunity to discuss this question in front of Public Accounts." Mr. Speaker, I as Leader of the CCF Party demand that these charges be considered by a public or judicial inquiry commission. In my opinion, Sir, these charges are too important just to be considered by a Committee of the Legislature. You know, Sir, when we meet in Public Accounts, the accounts that are before us are over a year old. But there is more to this than just the financial aspects, so I suggest that the Committee on Public Accounts is not the place to consider these charges. Mr. Campbell -- the honourable member, the Leader of the Opposition's allegations are of such a grave nature that they must be thoroughly investigated, and immediately. Either the Honourable the Leader of the Opposition is right or he is wrong. If he can establish that the charges are correct, then I call on the government to resign. If he cannot substantiate his charges then I suggest to him, the Leader of the Liberal Party should withdraw his statements and apologize to this House.

MR. CAMPBELL: I'll resign.

MR. PAULLEY: These charges were first aired during the Pembina by-election. They were denied at that time by the government. Now they are made in this House which, in my opinion, puts a different complexion entirely, because it is well known that politicians sometimes in the heat of an election make accusations, sometimes without too much foundation, against their opponents. But this time, Mr. Speaker, we have these charges in this House. This time the First Minister has asked the Leader of the Liberal Party to back his charges up with facts. I say, let's get the facts. Both parties seem anxious to have the charges aired. The people of the province are entitled to know the facts. I repeat, these are grave accusations and can only be resolved by an impartial inquiry. So, Sir, I suggest that that be done because the honour of the government is in fact on trial. But more important, Sir, than that, we're all on trial here in this Legislature as a result of such accusations and I think that the people of the Province of Manitoba are entitled to know publicly rather than in a committee whether these charges can be substantiated or not.

Now, Mr. Speaker, I want to refer now to the Speech from the Throne. The Honourable the Member from River Heights I think is now shuddering in his shoes because he made a slight -- I almost was going to wager but we shouldn't use those words here -- undertaking. He has bribed me, and I say that very, very jokingly, Mr. Speaker, and dared me to say that I agree with everything that is in the Speech from the Throne. I do, but -- and I hope that is sufficient, my honourable friend -- (Interjection)-- We can't let you in on that one. We're afraid that the Attorney-General in his capacity as the head of the Liquor Commission may take

(Mr. Paulley, cont'd.) . . . objections if I disclose to him what the bet was.

Now, Sir, what about the Speech from the Throne? I think it is well-documented evidence that the government today is not doing the job for the people of Manitoba. And while I listened to His Honour outline the contents I felt one way sort of that by gosh, this is a really favourable document; but when one considers it and attempts to analyze it, a different conclusion is reached. First of all, as the Leader of the Opposition referred to yesterday, "that my ministers tell me that we are now in the middle of a period of economic uncertainty". I don't know what type of seers they have across the way to know that this is in the middle or whether or not it is only just the beginning of another period of trial of the people of Canada because of the failure of Conservative and Liberal Governments, both here and at Ottawa, to know what they are going to do tomorrow. There is not any difference, in my opinion, what the name of the government is because we have experienced with both of them cycles of prosperity and deep depression. So I say to the author of this glorious speech, I'd like to know what assurance can be given that we are only in the middle of a period of economic uncertainty.

Mention is made in the Speech of the fact that the Provincial Government is limited by Constitution and financial resources. It may be that they are. Then, Sir, why do they take the trouble to inform us that their winter works program is now employing the highest number ever, of 8,200, when at the same time in the Greater Winnipeg area we have the highest number of unemployed for all time too -- approximately 28,000. In respect of labour and unemployment, the government pays attention, and correctly so, to a program of retraining persons displaced in industry. But I want to suggest to the government -- while they are the government -- that they should take steps to see that this is carried a little further. I have in mind, Sir, the fact that today there are a considerable number of fully trained workers unable to find jobs. We find today that there appears to be two segments of the country which are adversely affected in respect of obtaining employment today. One segment are the youngsters -- the boys and girls who are just leaving school under 21 years of age. Our future citizens, our future mothers and our future fathers -- and we trust the Lord that it will not happen -- these are the very people, Sir, that if in the event of chaos breaking loose once again, these are the young people whom we are going to ask to defend us. So I say we have to emphasize more and more -- vain words are not sufficient. The other end of the segment that I have in mind, the question of those over 40 years of age, trained or not. It's often the case that employers consider them too old. I think, Sir, that we've got to have a greater understanding between labour, management and government in this very, very vital question of unemployment. I suggest, Sir, that neither the policies of the Conservative Party or the Liberal Party can face up to a solution of this problem.

I sometimes wonder whether when we are hearing the statements of leading political men that they lose sight of our markets. I had the opportunity the other day, Mr. Speaker, of attending a luncheon and hearing the Honourable Donald Fleming, our National Minister of Finance. I was taken by one of his sentences. He indicated that the problem had got to be too big for government and that it was up to labour and to management to reduce the price of their products in order that we may compete with outside countries. I sometimes wonder whether or not that if we'd just took a little more cognizance of the market that we have here at home, that there would be no need for tremendous unemployment. What we require in order to solve the unemployment situation is not a cut-back of the wages of labour but an increase in order that there is more purchasing power in the hands of the people. My friend the Minister of Industry and Commerce shouts with glee when he is able to announce that a small industry or a medium industry are going to locate in Manitoba -- and with justification. But, Sir, here we have now in the whole of the Dominion of Canada almost 3/4 of a million potential consumers and buyers out of work. Should we concern ourselves with markets abroad? These people could be potential customers of production here in Manitoba and Canada. And we have to here, in this province of ours, who are so well placed in respect of natural resources, we have to make greater assurance that in the development of our mines and minerals and oil that we do not allow these rich resources of ours to become depleted unless we are prepared to insist that here in the Province of Manitoba we have the necessary secondary industries to develop our products and to give continuous employment to the people of the province rather than suggesting, as some do, the emphasis should be placed on external trade; when as a matter of fact that due

(Mr. Paulley, cont'd.) to the processes of automation, due to the gradual up-lifting educational-wise and otherwise in many of these countries that used to be our importers, they now are reaching the stage that we were at say 50 or 60 years ago. Some of them even far more advanced than that are producing within the confines of their own country and exporting them to here to, of much of the stuff, of much of the merchandize which formerly were produced here on the North American continent. So I say, Sir, we have great potentiality in the field of industry here in the Province of Manitoba, and it is up to us as members of this Legislature to see that in the exploitation of our natural resources that we have something in addition to that, and that is secondary industry to manufacture the products as a result of our mines.

And while I am talking on industry and commerce and labour generally, I would like to ask the Minister of Industry and Commerce that he take under consideration a few questions which I propose now. As a result of the proposed development of northern Manitoba by Messrs. Paton and Cox -- these were referred to yesterday by my honourable friend the Leader of the Opposition, and I agree with him that we should find out the truth of the situation; find out why the matter was not further considered. Why did the British organization vacate the field? Was this another plan just to exploit the peoples natural resources for individual gain? Why was it stated in the newspaper report some months ago that the original proposed plans were proposed after consultation with Arthur D. Little and Co. of Boston? What was the Roblin government prepared to grant by way of concessions that are referred to in the article? Would this have matched the concessions that were granted by the former Liberal administration to International Nickel? Why did the Minister of Industry and Commerce state, and I quote from the press report, "It is too bad the discussions were held at the time our Legislature was in Session." Is this an indication of why they waited until after the session was over to announce the increase in hospitalization rates?

MR. ROBLIN: I would like to inform my honourable friend that he really mustn't, in decency to the House, make an allegation of that sort. He's implying that we were trying to avoid reporting to the House on this particular operation and I really mustn't allow him to do that.

MR. PAULLEY: I'm merely quoting, Mr. Speaker, from the statements that are attributed to the Honourable the Minister of Industry and Commerce, but being a rather reasonable individual, Sir, if I have said anything that is out of order I am prepared to withdraw it. I don't think that I have but if my honourable friend thinks that I have, well, Sir, I have no objection at all. But it was him, Sir, that did make the statement that it was too bad this happened during the session.

MR. ROBLIN: Would my honourable friend like to know the reason why the statement was made?

MR. PAULLEY: No, I'm not concerned -- you can be answering. . . .

MR. ROBLIN: Oh, you don't wish to know the reason. Well we'll give it to you anyway.

MR. PAULLEY: Well, I figure you will.

MR. CAMPBELL: Mr. Speaker, if I may get in on a point of order, and I think it is a point of order that the Honourable the First Minister has raised even if he didn't say so. If I may rise on that I would like to hear your ruling because I'm not aware of any point of order that the Honourable the Leader of the CCF Party has violated.

MR. PAULLEY: Well, Mr. Speaker, may I answer that. I know that there wasn't a point of order. It was just my honourable friend the House Leader thought that maybe I went over the bounds of propriety a little bit. Let's not get into a hassle over points of order and the like. I'm in a fairly jovial mood this afternoon and, as I indicated, I'm prepared, if it's upset my friends across the way there, well we'll just let the matter die. But I would like to know, Sir, and I would like to have a statement from the department as to all of the facts. I note that correspondence is requested. I'd like to know from them, Sir, exactly where does this Arthur D. Little stand in respect to the development of the natural resources of the province? Where does the present government stand? Will they assure me that in any program for development of our natural resources that they can give the assurance to this House that the prime motive is that of advancement and advantage to the people of Manitoba -- (Interjection)-- I sure do.

MR. EVANS: I don't think you mean that do you?

MR. PAULLEY: I sure want that assurance. As I recall, Mr. Speaker, a few years ago we went on an excursion, the members of this House, to see parts of northern Manitoba. At that time a certain development company, and a well respected one, were considering opening up new mines. The Legislature agreed with the government in respect of the program that was mapped out by way of agreement and concessions. It wasn't until some considerable period of time afterwards, it may have just been chance, but we were invited to see two lakes, Moak and Mystery Lake. I recall asking the engineers on the job as to -- (Interjection)-- pardon. I said a few years ago so it certainly wasn't yours. I asked the engineers there what they figured their measure of return might be and it was low grade ore at both of these points; and lo and behold, two or three weeks afterwards, Sir, we found that there was going to be a development at Thompson, and there was the rich load. And I suggest, Sir, that it may have been a coincidence but I would like to have the assurance that if the present government proposes any further concessions to any industry, that a very thorough investigation be made.

MR. CAMPBELL: May I ask my honourable friend a question? Is my honourable friend speaking against development in the northland?

MR. PAULLEY: No, Mr. Speaker, I am not speaking against development in the northland at all. All that I am saying, Sir, is that it's up to whoever is the government of the Province of Manitoba to see that the development is in the interests of the people of Manitoba in the first instance rather than in the second -- (Interjection) -- Pardon?

MR. ROBLIN: I'm with you there.

MR. PAULLEY: Well then I hope seeing as the First Minister is with me and the Minister of Industry and Commerce is with me, you're all with me. Then may I ask of them, Mr. Speaker, that before they enter into any agreements with development companies of our mining resources that they ask me to peruse the conditions under which they are given.

MR. ROBLIN: no secrets from you.

MR. PAULLEY: Now then, Sir, I promised that I wasn't going to be as long as my honourable friend and I want to carry on. Reference is made to the Royal Commission on Transportation. I don't recall in recent years seeing a Throne Speech without some reference to this question of protection of the Crow's Nest Pass rates. I think every legislature that has sat here has stated their opposition to any tinkering with the Crow's Nest Pass rates. We of our party are opposed to any change in the rates. And in connection with the matter of representations to the Royal Commission on Transportation and also to comments made by the Minister of Industry and Commerce whose prime job I understand it is the development of industry here at home, I was amazed when I found a news story attributed to him in respect of the shipping of grain, that if there was going to be a change on the Georgian rates then we should advocate using United States lines to carry our produce to the Port of Boston. I was amazed because I've heard my honourable friend on numerous occasions tell us that it's Manitoba first. And I want to say too that, as a railroader, we were amazed to find a responsible Minister allegedly saying statements of this nature. We talk quite frequently in this House on the questions of the plight of the railroad industry, and we say to them, maybe you're going to have to abandon many of your lines; forget about them and use other media of transportation now that roads have been built. But, Sir, it's very obvious to note that every time that there is a proposition from the two major railroads to abandon a line, representatives of this Assembly are there to protest. I think they are caught between the devil and the deep blue sea.

I am not going to touch very much on the question of education. I'm glad to note that in the Throne Speech there is another indication of increased grants to education. Whether that means a change of the formula or whether it simply means because of the increased pupil count and the likes of that that will require more money, we do not know of course at this time but we await with interest a statement from the Minister of Education. But I would like to say just one word on the question of teacher-trustee relationships. It seems to me as I read press reports that as a result of the change in legislation some few years ago where the teaching profession was taken out of the Labour Relations Act and brought in under the Department of Education that for the last two or three years the relationships between the teachers and the trustees haven't been as amicable as they could be. And if I recall correctly and I'm sorry

(Mr. Paulley, cont'd.) . . . Mr. Speaker, I haven't it here with me -- the Minister can correct me if I'm wrong, I think that at one stage at least it appeared to me that the Minister had stated that the teachers have got to buckle down a little more than they have been doing in recent years in respect of continuing demands financial-wise.

HON. STEWART E. McLEAN (Minister of Education)(Dauphin): Mr. Speaker, I made no such statement.

MR. PAULLEY: I'm glad to hear that. Now then in the Attorney-General's Department I want to ask him now to assure the House that he is going to give us a complete statement on what transpired at the constitutional committee conference recently held in Ottawa. I want to know from him if he will and is in a position to do so, the position that Manitoba took. I understand that there was a gentlemen's agreement between the Attorneys-General that there would be no public statement from one of them about another province's stand or something of that nature, but I would like to hear from our own Attorney-General the situation or the stand that we took here, or he took on behalf of the province.

MR. LYON: I'd be quite happy to give it at a later date.

MR. PAULLEY: Fine, thanks. And now, Sir, I want to go on and speak for a moment or two of a subject that has been of major concern here in the Province of Manitoba, and now I'm going to refer to the Department of Health and Welfare and in particular to hospitalization rates. But before touching on hospital insurance premiums I would like to know from the Honourable the Minister when are we ever going to get the report of the Hospital Survey Board. At the last session I asked the Minister a question when we were dealing with his estimates and I'd like to read it to you -- no, I'm not going to read the whole thing -- Hospital Survey Board. I had asked the Minister and I'm referring to page 1076 of February 29th, 1960, I had raised the question of the building of Grace Hospital in St. James and the Minister replied: "Concerning the Honourable the Leader of the CCF when he brought up the question of Grace Hospital; I do not really feel free to comment at this time." And then I asked him, and it's not recorded that it is me but an interjection, "When the report" for he had told me that the Grace Hospital could not be started until after the Survey Board had made its report. And I asked him when the report would be made and his answer was, "I think it will probably be this spring, I hope. It will have to be before long, assessing our needs for the coming year." That was February the 29th, 1960. My honourable friend hoped that this thing would be ready for the spring. It is now nearly a year later. In August of this year according to press reports, the City of St. James were anxious to float a loan to assist the Salvation Army in the construction of this hospital. They referred the matter to the Municipal Board. The Municipal Board said to them that they could not go further with their plan until they had the authority to do so as a result of the report of the Survey Board, which was according to news articles to be completed near the end of September. Then in September we have articles that tell us we hope we're going to get the survey report within a few days or a few weeks. October the 19th the press reports, "Result of survey one month away." Well this is just February, and I suggest to the Minister that if the report isn't in now that he get after the commission and get it in, because more and more we're finding that people are not being able to get into hospitals at the desired time because of the lack of beds.

Now, Sir, I want to mention hospital insurance premiums. This government indicated to us at the last session that there may have to be some adjustment in our premium rate. They would not know until such time as the commissioner and his staff had finished assessing the costs of the previous year and extensions into this year. I warned the government last year not to be very hasty in increasing hospitalization rates. Page 1070 of February 29th, I said this, "Now again, I say Mr. Chairman, it appears to me that based on the figures that the Minister gave us here tonight that unless there is some tremendous change in the costs in the year 1960 there appears to be no justification for increases in the premium rates of this province. And I say, Sir, that while this has been a subject of consideration ever since the government first made their announcement of the 50 percent increase in the rates, there has been no answer from the government which justifies the increase. We of the CCF when this matter was first before the House, when the question of premiums was under consideration, had suggested to the government that rather than a premium basis there should be simply a registration fee and that out of the general taxation of the province should come the balance for the operation of the fund. We sat in this Legislature last year; we debated the question; we warned from this side

(Mr. Pauley, cont'd.)....of the House the government. The government through its power in regulations increased these rates. After this matter had been drawn to the attention of the public in a by-election at Pembina, if the press quotes my honourable friend the Leader of the House correctly, he hinted that there would be changes in the premiums. He had that opportunity some months prior to that. On July 5th, 1960, the International Association of Machinists wrote to the Honourable the Minister of Health and Welfare -- oh, excuse me, this is the reply on July 5th. The reply from the Minister seeking information in respect of the increased rates. The Minister informed them through this letter that the reason for the 50 percent increase was because the Department and the Commission had extended or expanded --projected, I mean, the cost of hospital operation over the next few years. We found today, Mr. Speaker, that in the Speech from the Throne we find that the seer has informed us that we are only in the middle of an economic depression. What seer looked into this to know what the costs of hospitalization would be for the next few years? Also, Mr. Speaker, it is alleged or stated that among the reasons for the increased costs of hospitalization premiums was the fact of providing new and additional bed space. And yet at the same time, Mr. Speaker, there was a freeze on hospital construction except for the finishing up of some jobs that commitments had been made prior to the freeze by this government. --(Interjection)-- No, I don't. One think I don't understand, Mr. Premier, is why you said at Pembina that you were going to refer this matter to the Legislature for review. You didn't call the Legislature into session in order to hike the rates. You didn't need us then. I say to you, Sir, if you found out the error of your ways as a result of the publicity that was given to your increase, why didn't you change the regulations back at that particular time to alleviate as I recall reading, I may not have it word for word, the sufferings some people may have. I can picture you, Sir, standing there almost with tears in your eyes for the hardship of so many people for this tremendous increase. I had to smile. I noticed the other day in the press that there is a possibility of one of my honourable friends to my right proposing a resolution to this House. Why did they sleep at the gate so long, Mr. Speaker? Why didn't they do as we have done -- protested this matter. The matter was public knowledge in July. I hear from my honourable friends on the right in February, that they are protesting the increase in the rates. I wonder why now? I note that after I had spoken on this question on TV -- (Interjection) -- It was -- and I'm glad you listened to it because the following day -- (Interjection) -- Yes, and I think, Sir, that that is the attitude that you take to many of these serious matters in the Province of Manitoba -- that they're humorous. They're not. But, I had to smile when I read the press report following my remarks over TV "Mr. Roblin made his statement during a strongly worded reply to the CCF Leader charging that the government was flashing its contributions to hospitalization at the same time as it is boosting the premium on hospital plan . . ." I think the other paper said that "Mr. Roblin was sizzling", and boy, oh boy, well he may sizzle because of the fizzle that he has made of this. Why did I say, why did I say in that public statement that the government of Manitoba were casting onto the backs of the premium payers here in the Province of Manitoba an unjust share of the costs of hospitalization? What is the truth of the matter? There was a surplus of \$174,000 in the Plan in 1959; there was an anticipated deficit of \$1.8 million for 1960. The increased revenue for 1961 will result in increased premiums of six millions of dollars. Due to our population increase and the increase on a pro rata basis, it is anticipated that there may be an increase of a million dollars from Dominion contributions. The Government of Manitoba made no provision in its estimates for the year ending next March of any increase in their contribution to hospitalization. What are the figures of the contribution of the Province of Manitoba which increased the rates to the premium holders? Year ending March 31st, 1958, according to the estimates of Manitoba, the provincial contribution was 1.1 million; 1959, the contribution was 3.6 million. These are just approximate figures. In 1960, the provincial contribution was about 3 1/2 million; in 1961, 3.2 million. In other words, Mr. Speaker, that for the year which ends March 31st, 1961, the province's contribution will be \$72,000 more than it was in 1958 before the Plan came into effect, but for the year ending 1961, by comparison with 1959 after the Plan came into effect, the province's contribution will be about half a million dollars less. I say that the Government of Manitoba have not been fair to the premium payers in our hospitalization rates. I say, Mr. Speaker, if they could afford to spend \$800,000 on property for a park, they could have afforded to make

(Mr. Paulley, cont'd.) a greater contribution directly from the Provincial Treasury for hospitalization rates.

I know, Sir, that my friends opposite are going to say to me, well, your favorite province of Saskatchewan has recently increased their rates. And I say to them, 'Yes', but I say to them, 'I'll bet you they can justify it'. And I want to make another complaint at the present time. I feel sure that some of the great traits of my honourable friend, the Minister of Industry and Commerce have worn off into the Department of Health and Welfare. Why is it necessary -- why is it necessary, do I ask, that almost every week in almost every weekly paper in the Province of Manitoba, we have to have literature of this nature, telling the people the advantage of the Plan when it's compulsory for them to belong to it. I suggest that there's a waste of money in this. Benefits provided 99 hospitals; three-fold responsibility. Did you ever sleep in a \$5,000 bed? Lowest per capita costs in Western Canada. Hospital services constantly improved. Real value for your money to enable sick people to get well. And at the same time organizations that are desirous of building hospitals in order to alleviate the situation are still waiting for a report that we expected nearly a year ago. But this to me, Sir, is the best one of the works that is put out by the propaganda department of the Conservative Government, because I contend that this is all propaganda, and that's why I suggested that something has rubbed off from the Minister of Industry and Commerce, whom I admire -- chiding as the Minister of Propaganda. This is not necessary. But what do we get after a visitation to the hospital from the Hospital Services Plan? We get a letter back: Manitoba Hospital Services Plan - "We have paid this amount on your recent hospital account". It's marked "Paid" -- stamped. "Remember in most cases one day in hospital if single, two days if married, would have cost you more than the Manitoba Hospital Service Plan premium for a full six months' period". Which is true! But this the joker of the works -- "and this great savings is made possible by your premiums together with the financial support of the Governments of Canada and of Manitoba", signed by the Honourable Minister of Health and Welfare and the Commissioner of Hospitalization -- when we know that as far as the government's contribution is concerned in relation to that of the premium payer is going down and down.

I suggest to the Honourable the Minister that he review the propaganda section of the Commission. I do not know how many thousands of dollars this propaganda costs, but I'm sure that it's just another incident of where the government is not using its money, as some of my Scotch friends have suggested they should. Now then, Sir, I have dwelt some considerable length

MR. GILDAS MOLGAT (Ste. Rose): Mr. Speaker, I wonder if the honourable member would permit a question before he leaves the matter of hospitalization. Could he give us the date of his TV performance?

MR. PAULLEY: Yes, sorry if my honourable friend was not able to look at it. We may have had a little quicker action on the part of the Liberal Party if he had of. We may not have had to wait until February to start complaining. The date was November 11th or the 12th. Pardon?

MR. MOLGAT: time between the 1st of July or whatever time that was and the 11th of November?

MR. PAULLEY: No, No, there was not. I referred to the fact that the Premier became scintillating at that particular time. I had protested this far earlier than that.

Now then, Sir, I want to say a word or two on the question of Agriculture. I think here we find a very interesting situation. And while we cannot blame our honourable friends opposite for all of the plights in agriculture, because they cannot control it, but I do think that they could make active representation to their friends at Ottawa to take better steps on behalf of agriculture. Oh, I know that the new visionary, the Minister of Agriculture at Ottawa, Alvin Hamilton, has got a good plan for planting Christmas trees to help the poor farmer out. I suggest that this is not enough. I suggest to this House that one of the ways in which we may dispose of the surpluses that we have in wheat in Canada, that if necessary we should make arrangements with other countries who are struggling for life itself to receive much of this. I was very much surprised when I read a press report of a meeting of Alvin Hamilton when he was referring to the surpluses and the disposal of wheat surpluses, that he was opposed to give-away plans in agriculture. And here's what he had to say, according to the press report:

(Mr. Paulley, cont'd.). . . . "If all our surplus wheat was changed into bread and given India alone, we would only supply a few days demand. Then we would have created full stomachs and a desire for more bread that we could not fulfill. I think it's a travesty of justice. While we recognize the fact of many nations, almost a third of the population in this world going hungry to bed, one of the reasons that we don't give it to them -- if the Minister is quoted correctly -- is because we may create a desire on their part for more that we can't fulfill. I suggest, Mr. Speaker, that if we created this desire we'd be doing something worthy. We here in the Dominion of Canada at the present time spending almost 2 billions of dollars in the year on armaments, on weapons of destruction, and yet we have a responsible Minister indicating to us, if this statement is correct, that we should not give our wheat away because it would only create a demand in the stomachs of those that receive it for more.

I want to refer, Sir, to a very honourable gentleman who had a plan back in 1943. Winnipeg Free Press of October the 21st, 1943. This gentleman was talking about agriculture. He declared his attitude with reference to a fair deal for agriculture was well known to all westerners for it had been part of his political faith for more than 20 years. He regretted the fact that there had never been equity for agriculture except during a war. "There will be an underfed world to nourish after the conflict is over, but instead of the farmer giving away his wheat as he did after the last war, the state should be required to purchase it at a fair price and make it available to the starving people", he stated. During the depression the farmers were feeding Canada and the rest of the world at a price less than the cost of production. Let us cure Canada's greatest social inequity by assuring equality to those who produce the nation's food. And who was it? The former Premier of the Province of Manitoba, the Honourable John Bracken when he was announcing his policy as the Leader of the Conservative Party to which he had just been elected in 1943. Are not the words somewhat similar that we hear from so many today in respect of the poor plight of the farmer in Canada? I suggest there's lots more and we'll be talking of them later what the department and the government can do in respect of agriculture in Manitoba.

Now, Sir, we have seen in Canada and in this province two major political parties who loved to get at each others throats depending whether they're in office or out of office, condemning each other, but what we have found, Mr. Speaker, that as far as the progress in Canada or in the Province of Manitoba is concerned it makes little difference whether its my honourable friend, the Honourable Dufferin Roblin, who's sitting in the Premier's seat or the Honourable the Leader of the Opposition. But there is an alternative being offered now to the people of Manitoba and of Canada in we who are striving to gather together all liberally-minded people into a new political party here in Canada. We do it, we do it and we're proud to be doing it, because more and more people are recognizing that within the confines of the old parties there's no solution to their problems. We are criticized - of the CCF. Some fellows like some of my honourable friends who just made utterances a moment ago insofar as the CCF Party is concerned suggested we have failed in appeals. I suggest that we have not failed. I suggest that it was in major fields of human endeavour that we of the CCF agitated, prodded and eventually won our points with the old line parties to adopt measures which we had been advocating for years. Why, Mr. Speaker, I want to tell my honourable friend who just spoke, the Honourable Member for St. George, I'm wondering if he's aware of what happened at Ottawa recently. The Liberal Party, of all parties, advocating a system of economic planning. Well! And yet my honourable friend on many occasions in this House voted against our resolutions because we called for economic planning. Last year, Mr. Speaker, my honourable friend stood up with the rest of his colleagues and voted against a proposal for consideration for a national health scheme. Lo and behold! He went down apparently to Ottawa -- I couldn't convince him in this House because he voted against me -- but he went down to Ottawa and there he's convinced even the Leader of the Opposition at Ottawa that we should have a health scheme in Canada. But he's even gone one better than me. It's not going to cost the provinces anything. No. We are going to bring in a plan and we don't even have to consult with the provinces; we're going to do this, we're going to do that. I say we have not failed, Mr. Speaker, but I will say this - that the people of Canada will have far greater hope of obtaining medical insurance than they would with us in power -- than they would with my honourable friend, because -- (Interjection) -- But I want to recall to my honourable friend,

(Mr. Paulley, cont'd.) that his party promised this in 1919. I want to say to my honourable friend who is now the Leader of the Opposition that when we had a coalition government here in Manitoba in 1945 at that election it was promised to the people then of Manitoba. I wonder what their answer now is going to be? And yet my honourable friend, the Member for St. George, tells me that we failed.

MR. ELMAN GUTTORMSON (St. George): Would the honourable member permit a question?

MR. PAULLEY: Shoot.

MR. GUTTORMSON: If your party has been so successful, why are you abandoning it?

MR. PAULLEY: Mr. Speaker, I appreciate my honourable friend's question. -- (Interjection) -- I have an answer. We're not abandoning it, but we are encompassing more and more people into it. I want to say this for the education of my honourable friend that it only has been within the last few years that the other partner in this marriage into the CCF, namely organized labour, had followed the old idea of in the United States of electing your friends and defeating your enemies. There it can work because their governments are elected for a period of time and not until they are defeated as they are here in our Canadian system. Their system of electing your friend, be he a democrat or a republican, can work. It can't work here that way in our Dominion parliamentary system. So I say that after years and years of going cap in hand to governments and electing either Liberals or Conservatives, the Labour organizations have come to realize that they can become a component in a new party for the advancement of all. I want to say this to my honourable friend who asked me the question. We're even appealing to small "l" liberally-minded people. I'm not quite sure, Mr. Speaker whether I could include my honourable friend in that category or not, but I do say to all of the members of this House, we have not failed, and I invite any member in this House to join with us in this new venture, because it will be for the betterment of Canada. And I will also say this, that now that the organized labour movement has taken this forward step, I call on the farmers of Manitoba to do likewise. They too, surely by now, must come to the realization that the same cap in hand attitude to government is not good enough for them. They heard the promises of Diefenbaker when he was in opposition and they elected him. He rejected them -- and so the story goes on. My friends on my right, who at one time graced the benches opposite, now proclaim and strive for the benefit of the farmer, but such striving when they were on that side of the House is comparable to the striving that's going on now which doesn't mean too much for agriculture.

HON. GEO. HUTTON (Minister of Agriculture) (Rockwood-Iberville): 60 million bushels of wheat or 60 million dollars worth of grain gets over to China and isn't held up by any controversy between

MR. PAULLEY: No, it was not held up by that at all. And I want to say this, Sir, if you're talking about China: you're very glad, and so is the government at Ottawa, very glad to get rid of 60 million bushels of wheat to China, but you won't recognize the fact that they're a nation and support an application into the United Nations for them. You're glad to take the gravy train, but not so happy to face up to your responsibilities.

Now, Sir, just one more item. I want to deal with what is now becoming a very, very talked of subject across Canada, and that is the question of the provision of medicare and health insurance. What are the Liberals in Ottawa doing about this? As usual, a Royal Commission look into the question of social security. I'm informed, and I believe correctly so, that the report is simply gathering dust at Ottawa. The boys here of the Conservative Party are commission-wise too, for I note that my friend -- I hope -- the Honourable Minister of Health and Welfare has set up a commission to enquire into the effects of prepaid medical care on student training. I think that's good, and I admire him for doing that because we want these facts, but we're not doing anything, in my opinion, to really bring about a comprehensive health insurance scheme. What about the Liberals? Once again, as they did in 1919, have adopted a policy of national health insurance. What about the Liberals provincially? They voted against the CCF resolution every time it was produced here in this legislature calling for a comprehensive scheme. What about our friends the Liberals in Saskatchewan -- to use an outside illustration. The Leader of the Liberal Party in Saskatchewan actively opposed the proposals of Premier Douglas in the recent CCF election. And now I find, Mr. Speaker, that

(Mr. Paulley, cont'd.). . . . due to the Ottawa rally he softened down a little bit -- maybe if the Dominion pays for it, we can get it. I say we have to adopt a system of comprehensive medical care in Canada ere long.

I had the opportunity the other day, Mr. Speaker, at the kind invitation of the Manitoba Medical Association, which I appreciate very deeply, of viewing a picture -- a documentary picture -- on the British Health Scheme and how it is working there. I suggest that every member of this House should see it. It's a revelation. Now you can have two different viewpoints, but in this film the doctors were not actors but they were practitioners themselves telling us what they thought of the scheme. And it seemed to me, as I viewed the picture, that the younger doctor had accepted almost without reservation the health scheme in Great Britain. I don't recall seeing one doctor who absolutely opposed. They all suggested that there could be improvements in the scheme -- and I don't doubt but what there are. I'm not suggesting that we here in Manitoba or in Canada should have to adopt the same basis as the British Health Scheme, but I do think that on a universal comprehensive coverage we can adopt a scheme to suit our needs. I know the medical profession have some fear -- and I don't blame them for it -- a fear of regimentation, a fear of simply being civil servants for the state; but I think a system can be worked out where those fears can be resolved.

I know that my friend the Minister of Health and Welfare is very proud of the fact that we here in the Province of Manitoba have 17,000 persons having medicare cards as a result of the social assistance program which we adopted here in this House. I say that this is absolutely inadequate. There are many thousands of people who are on low income, border-line cases, that could not qualify for medicare cards here in the Province of Manitoba that should be taken care of. I agree that the medical profession, and particularly the general practitioner, have treated many people who have been unable to pay, but again they are not being seen by patients until serious conditions physically prevail. Under a comprehensive health insurance scheme I'm sure that after a while we would be able to uplift the physical standards, health standards of all of the people of Canada. I say that it should not be necessary for the people to become indigent before they are entitled to free -- I'm using the word freely because, we have to pay for it -- I recognize we have to pay for any system that we have, but it should be available at all times. The doctors again, I want to say this, and I say this in all sincerity, Mr. Speaker, I think that they are very highly respected profession and have earned plenty of trade. I don't think that they need to have too much fear of a medical health scheme. I understand that at the present time through the development of a clinic type of medical care that more and more doctors are being paid on a salary basis. In our civil service in the Dominion and in the Province of Manitoba we have many capable doctors who are working on a similar basis. I think they have no fear and I think that with our endeavours we can evolve a true medical system of hospital, dental, medical, optical care for all the people of Canada whereby right and prepayment every person is entitled to receive all that the various professions dealing in health care can give to them.

Now, Mr. Speaker, I intend to propose an amendment to the amendment of my honourable friend on my right. I invite -- I invite my honourable friends to join with me and my group in support of this resolution. I extend the invitation, of course, also to our honourable friends opposite but more particularly do I invite my honourable friends on my right to support this motion. And I would like to suggest, Sir, that if there's going to be as I understand, I wasn't officially informed of it, but as I understand there's going to be a leadership convention soon in the Province of Manitoba and I understand, Sir, that we have one or two applicants for that position here in this House, I suggest that they can win the leadership of the Liberal Party here in Manitoba if they support my resolution. So therefore, Sir, I beg to move, seconded by the Honourable Member for Seven Oaks, that the amendment be amended by deleting all the words after the word "Government" and adding the following: "has not taken the initiative in proposing a Provincial or a Federal-Provincial comprehensive plan of health insurance which would provide for the mental, physical and social well-being of the citizens of our province."

MR. JOHNSON (Gimli): First of all, Mr. Speaker, I wish on the Speech from the Throne to congratulate you, Sir, on being again in your seat and looking forward to your association for many years to come. I wish also to especially congratulate the mover and the seconder in the Speech from the Throne whom I think spoke most ably and humbly on behalf of their constituencies and offered very helpful advice to their government. I wish to congratulate them.

It has been my intention, Mr. Speaker, to rise at the very first opportunity at this session in order to lay a most important problem before the House and I think this is the opportune time to do so because both in the sub-amendment of the Leader of the CCF Party and in their talks about their leaders in the course of speaking on the subject, have brought up the question of hospitalization. It is absolutely essential that we in this Legislature face squarely the several matters concerned in this area of hospitalization in Manitoba today. I hoped to have it today but I fully expect to have by Monday, a little document which I wish to file and table in this House, called "Dealing with the Financial Aspects of the Manitoba Hospital Services Plan Through the Years '61 to '63". I hoped to have it today because the information contained therein is the information which I received prior to the implementation of the premium increase in May of this year.

Now in my remarks last year -- and I want to make this perfectly clear, Mr. Speaker -- and in the Annual Report of the Manitoba Hospital Services Plan, it was pointed out by the Commissioner then that the surplus accruing from the operation of the Hospital Plan in '59 was \$174,000. In the Annual Report submitted to myself in February of 1960, it was pointed out "That this surplus is only two-thirds of 1% of the operating costs of the Plan for the year. Since hospital costs are continuing to increase it is quite evident that the future financial needs of the Plan now require active consideration. A study of this subject will be undertaken as soon as hospital budgets for 1960 have been processed. Now this study will cover a number of years," said the report, "since the financing of a program of this size requires a planned approach". It was pointed out to me that it was highly desirable to have one full years' operation of the Plan behind them and a two or three month period before them in order to complete a comprehensive study of future needs financially. These were presented to me early in May, Mr. Speaker, and there has been no intent of by-passing or ignoring this Legislature. We just did not have the necessary information when we last sat, and shortly thereafter, as I will indicate, we acted as a responsible government should act in making a difficult issue -- meeting it fairly and squarely. This will become more evident as I proceed in reviewing some of the activities with you and the report which I intend to lay on the House on Monday.

The Honourable Leader of the Opposition, on the Speech from the Throne, insists that I must have been pressured into this unconscionable increase in premium rates and I could not have allowed myself to be 'joed' into this position -- into this precipitous, in his opinion, and unjudicious act. On this side of the House, Mr. Speaker, when a Minister speaks, he speaks for everyone on the front bench and everyone behind him. We speak as one in issues of this nature. When it's insinuated that we at the close of the session then raise premiums, that we were unconscionable in our attitude, that we were extravagant and words like 'improvident' in our action, these are words, phrases and sentences, Mr. Speaker, that I can hardly attribute to my honourable friend, the Leader of the Opposition, whom I respect. A man who was Premier of this province for ten years surely knows that an action such as this has to be an action by a responsible government. Now, how, Mr. Speaker, could the Honourable Leader of the Opposition, as cautious, careful and honest a man as he is, allow himself to be pushed into this Hospital Plan in some three months time? I know that in my honourable friend's last days in office he suddenly realized that the people of this province want service, that they are willing to pay for it provided they feel that those in authority are doing everything within their power to prevent extravagance and to give the best in standards of care and service. I submit, Mr. Speaker, that the Leader of the Opposition and his colleagues never fully understood this problem of hospitalization, otherwise they would not have set the premiums they did, and they would have given this Plan the considerable study that it was given, for instance, by the province to the East of us, Ontario, where they spent two years, as I understand, looking at the facilities in the province and how to meet this cost. -- (Interjection) -- No, my honourable friend opened

(Mr. Johnson, cont'd.)..... the front door, our friends here of \$20 a day hospitals. They never tried to determine whether there was a back door; they never knew the problem that existed outside that back door as it does today in the field of mental health, in chronic care, in what we term alternative care and in the impact of state schemes and of their great complexity.

For my friend's edification and the edification of the honourable members of this House, I intend to tell my friends opposite some of the facts and the problems that we have faced since taking over this Plan on the 1st of July, '58 and since taking over the mental health care on the same date. Here we were in this government faced with the problem of executing a plan for which there had been inadequate preparation -- we must admit this. We decided to go ahead; we decided to take over mental care on the day we came to office at no further charge to the patient. Care of the sick became an indivisible responsibility under this administration and with it the many, many problems associated with keeping people out of hospital. Surely, my honourable friend will gain further understanding when he realizes that this government has the responsibility and that I, with my colleagues, are willing to devote another ten years of our lives if the First Minister sees fit, of straightening out the enormous problems that our colleagues opposite brought in for us by enacting this legislation. First a few remarks of what happened when the chicken got off her eggs and they began to hatch and come home to roost. I feel that what I am about to say will be most instructive to the House and that the Honourable Leader of the Opposition and the CCF will then again feel more warmly to all of my colleagues. I feel so warmly after hearing -- to the Honourable Leader of the Opposition -- when I heard those words "unconscionable increase in premiums" coming from him yesterday, that I had to go into my office, sit down and write down some of the problems and areas of concern that must be shared with him, with his colleagues, with all members of this House, Mr. Speaker, before they read the report which I will table on Monday next.

Now, I intend, before laying on the table, to give a summary of what this document tells us. I would tell you what we have learned from compulsory, comprehensive hospital care in this province, its benefits, its problems, its heartaches, its need for active, courageous government leadership. I would ask the indulgence of the members opposite to sit and listen because this is a story that has to be told, in my opinion, in the interests of the people of Manitoba. I may take a little time. If I run over, Mr. Speaker, I would be glad to continue this evening.

One of the fundamental characteristics of our civilization as you all know is the emphasis we place on human life. Arising from this philosophy is our great concern for the health of the people, and in consequence we have developed the various health services which are necessary both to prevent illness and to restore health once a person has become ill. Because of the importance of protecting the health of our people, the Department of Health and Public Welfare, by reason of the nature of its activities has possibly a more profound effect on the people in the province than any other single department of government. In carrying out its responsibilities the department works with a multitude of associations, agencies and individuals who deal with various aspects of the provision of health services to the people of the province. Most of these organizations are self-economist bodies and therefore rather than directing them, the department co-operates with them in fulfilling its primary obligation of ensuring that the services which the organizations provide can be made available to the people. The department co-ordinates the activities of the various organizations providing the services in order to evolve a pattern of complete health services for all Manitoba residents. Everything possible is done to foster and encourage these various organizations in their activities to ensure that health services of the highest standard are available to all the people in the province regardless of their means.

The activities, Mr. Speaker, of the department are really meaningless without the understanding and co-operation of the various organizations concerned through whom we bring the services to the people. In view of these activities in the various fields, the expenditure of public funds by this department is greater than, at this point, of any department in government. Although the amount of money is not always an indication of the importance of the organization, this factor taken with the importance of good health and the value we place on human life, clearly indicates the great importance of the Department of Health and Public

(Mr. Johnson, cont'd.) Welfare in the frame-work of government operations. Notwithstanding the great advances in curative medicine in the past 50 years, the department must always place the greatest single emphasis on preventative medicine, since I am sure it will be accepted by all that both from a humanitarian and an economic point of view, it is preferable to prevent illness than to attempt to restore health once an individual has been unfortunate to become ill. Traditionally from the time this department was formed in 1928, the health department's main function has been that of prevention.

Now quite apart from the amount of money which the government subsidizes the MHSP there are the increasing responsibilities in the preventative field. I would like to review them briefly with you to give some idea of the magnitude of the preventative program. In the Health Department large sums of money are spent on preventive health services and mental health which we debate each year. These areas are increasing dramatically - local health services, lab and x-ray units, the mental health, the tuberculosis program, the nursing, environmental sanitation, industrial hygiene programs -- all of these programs as we all know largely got off the ground in the late '40's after the last war and have been growing rapidly yearly, necessitating increasingly large sums of provincial revenue. In the past year --- last year I think we passed estimates excluding the \$3 million subsidy, of somewhere around \$9 - \$10 million in this area. This is quite apart from the Plan. The continued expansion of these public health nursing services, laboratories, immunization programs, etc. are all examples of preventative programs to keep people out of hospital. In mental health in July 1st, of 1958 the care of the mentally ill for all intents and purposes became part of our hospitalization program although the amount of money for this was continued to be voted under the Health Estimates. For years the story has been in this province, that we have tended to lag possibly in the area of mental health but in the past two years with the introduction of state hospitalization we have been trying to move and do much, which my estimates will show in the coming year, to try and keep people out of mental hospitals and in the community. This of course with the help of newer drugs and so on. There are other minor areas in provincial expenditures in addition to the approximately \$10 million that we spend in the preventative area, in the health field department alone, designed to supplement the hospital services plan.

On December 31st, 1960, the hospital plan completed two and a half years of operation. Many difficulties have been encountered, Mr. Speaker, since its inception in July of '58, and not only in connection with the insurance aspects of the program, but with respect to hospital facilities and services. This was to be expected considering the size and scope of the program and that it was implemented after an administrative planning period of less than four months. Although after two and a half years most of the immediate and acute difficulties have been dissolved, there are many profound problems affecting the operation of this program which are going to require a great deal of study to reach decisions which will enable the program to do the job it is intended to do. The majority of these problems existed prior to the introduction of the hospital plan, and therefore were not created through its implementation. On the other hand a great many were brought into being, or a great many were resolved because of the introduction of the plan. The best example of type of problem is the provision of various types of services outside the active treatment hospital for people suffering from long-term illness. Our success in providing alternate care and facilities for this class of person will determine in large measure the cost of the program to the public and at the same time provide a more suitable setting for those unfortunate enough to require long-term care in the future. It will enable our active treatment hospital to carry out their activities more effectively than would be the case if these people had to remain in institutions.

Up to the present time throughout our province we have mainly given the emphasis in the area of building acute hospital beds at the expense of other types of institutions which in many cases are more able and better qualified to look after the other types of patients. If we're going to develop a well-rounded program to provide the care necessary a great deal more emphasis will have to be placed not only on the provision of chronic facilities but on facilities of custodial and domiciliary care -- that is the type of care required by people who are just infirm and can be up and about and be treated better in a residence or long-term facility. Although the administration of the program is now on a sound basis administratively, that is not to say that the administration of the plan cannot be improved by introducing

(Mr. Johnson, cont'd.), . . . refinements and procedures and so on and constantly the officials of the plan have been looking at data of processing, etc. to see where we may save administrative problems. It's an amazing thing, Mr. Speaker, that the plan, despite everything, has been well received by the people of Manitoba, as evidenced by the fact that over 99% of the population continue to be insured the commissioner advises me, and it has for all intents and purposes removed the financial hazard of hospital care through the medium of insurance for all residents of the province.

The great task which faces us now is to explore continuing ways and means of operating the plan as economically as we can and on the most equitable basis. The financing of the province's share of the cost of the payment of premiums has a number of defects, but then so does any other method of financing. The premium method particularly as it affects those in the lower income groups does create certain hardships. These hardships are emphasized when rising costs dictate the necessity of increasing the premiums and the income of certain groups do not rise at the same rate. One of the major difficulties with the premium system is that the revenue derived therefrom is not self-adjusting in the same way as certain revenues from other taxes would be. Under the premium system such as we have premiums must be increased periodically to keep pace with rising hospital costs. In this report which I will be tabling on Monday, the report on the financial estimates of the plan for the three years, it will give you a very clear picture of where we are going in terms of costs and why premiums must be increased. It was the information contained in that report that we had before us when we made the decision in May or June of last year to increase premium rates, effective January 1st. It is not enough to look at the figures however, and compute the premiums that are required to cover the cost. We must as we have been doing make every effort to co-operate with boards and officials in the controlling of hospital costs to insure that no more public funds than are necessary are used to provide an adequate standard of medical and hospital care.

Before going into the question of the financing of the plan and the control of costs, which I intend to do, I would like to review the plan's operation during the past year. First of all the very high percentage of people who have been registered -- over 99% -- has been maintained -- there has been no reduction in the percentage of those insured or eligible for benefits despite the increased premium rates. And certainly this speaks most highly of the co-operation and understanding of the people of Manitoba without which this could not have been possible. The most important factor in the maintenance of the high percentage of the population that is insured has been the acceptance by the municipalities of the government policy whereby municipalities as you know can elect to guarantee the payment of a premium on behalf of their legal residents who fail to do so. Under this policy which was instituted in '59 the one month waiting period under the hospital plan is waived in the case of a legal resident of a municipality failing to pay his premium by the due date if that municipality had previously guaranteed to pay the premium for all legal residents. I thought members would be interested to know that at the present time 175 municipalities are guaranteeing -- representing over 90% of the population of Manitoba -- have undertaken to guarantee in this area. It's a real advantage to the province in having as many of its residents insured because under the federal agreement as you know, the higher the insured population, the greater is the federal contribution. At the same time, municipalities have benefited financially through their guarantee arrangement and generally speaking the cost to a municipality of paying premiums is less than the payment of actual amounts.

I would like to give you some further advantages. In the first year of operation we had 77 municipalities who were guaranteeing; in '59 they paid \$57,000.00 in premiums that they did not recover. In contrast with that the benefits which the plan paid on their behalf were in excess of \$220,000.00 and about a 3.9 ratio in the municipalities' favour. Even with the increased premium rates we expect that the high ratios will be maintained. I believe that in the City of Winnipeg the ratio figures I had was 5.8 to 1 in the '59 year on the ratio of amount of premium paid as against benefits received. Of course we must realize that the contribution of the Federal Government is about 45% of the cost of care provided to insured people. In addition, the type of person whose premium is paid by a municipality is often one who requires a larger amount of care. I might add that although a number of municipalities guaranteeing has more than doubled since '59, it would appear that the amount of premiums paid by the municipalities

(Mr. Johnson, cont'd.)..... will be less in 1960 than it was last year.

I would like to ask you to keep in mind the valuable service municipalities who guarantee are providing to their legal residents. Residents who might be otherwise temporarily out of MHSP coverage by failure to pay through neglect or oversight are provided with continuous hospital coverage. Now, prior to the introduction of this policy of municipal guarantees, the municipalities often found it difficult to budget for their contingent liabilities. In many cases in municipalities as we know and in all areas under the plan there were many who could not get hospital insurance because of pre-existing conditions, etc. at a reasonable cost, and this again is an area wherein municipalities can guarantee for this type of case. In fact, many municipal residents prior to the introduction of the plan who were uninsured or could not obtain insurance at all in many cases, are now able to get complete coverage under the plan on the payment of a premium that is greatly reduced from the full cost of benefits and, of course, through the subsidies of the Federal Treasury. Previously many of the hospital accounts incurred by these people could not have been paid by the individual and would have become a municipal responsibility.

Now under the hospital services plan we do have exemptions for large categories of people that I think this House should realize: all recipients of public assistance defined in the Act as those who receive Old Age Assistance, Blind Persons Allowance, V.A. Allowance, Provincial Social Allowance and mental hospital patients unable to pay their premiums. We have 20,000 in these categories that we are now paying; and over the age of 70 there are 21,000 people receiving premium exemptions at the end of December. 41,000 Manitobans, Mr. Speaker, receive their hospital plan benefits without the payment of premiums whatsoever. Prior to the plan these people would have been a responsibility of the municipalities; now the government assumes these costs through the subsidy of the plan. Now, by paying the premiums in advance for residents who are indigent, a municipality is not responsible under the Act for any part of the hospital account for insured persons which these indigents incur. Even if a municipality does not guarantee, and it certainly is to their advantage to do so, it may limit its liability under the Hospital Act to not more than one month of hospital care by simply paying the premium owing by the insured resident submitted by the hospital when they are notified of admission. I think, in other words, Mr. Speaker, our guaranteeing system, guaranteeing program for municipalities has been a wonderful example of the co-operation between the municipalities and the officials of the plan and the government to the mutual benefit of the residents of the province.

I must also mention the 60,000 employer groups across the province who have been remitting premiums on behalf of their employees; their co-operation has been well illustrated by their handling of the complexities created by the recent increase in premiums. It was necessary for us to bill all groups at the increased premium rate effective with their June billings due to the prepayment method on which the plan operates. I think members should remember that; it was imperative that we act immediately at that time. While it was possible to accomplish this in the great majority of cases, there were isolated cases where it was not possible to get our billings in until July. By the time the August billings were issued some arrears had been received from employer groups who had not been billed at the new rates in July. This new transition, despite the increase in premiums, co-operation with employer groups, is well recognized by our department and government. Now our efforts to provide the best possible service throughout the province in collecting premiums and assisting the various agents were assisted by the opening of branch offices which we find in certain cases do help. The first at The Pas was opened in January, and we found it very advantageous to open an office in Portage la Prairie last summer. The public do feel in many cases that they like to go and discuss problems with the field man and they like to come into an office. These branch offices proved successful in serving the public in the areas in which they are located where you get enough people. They require relatively little staffing and eliminate a great deal of correspondence between insured persons and the head office of the plan. In January the 15th, '60, the plan's head office had to be moved to Lombard Street as I announced last year, to provide more room for their expanding facilities.

During the past three sessions of the Legislature we have carried out many amendments to make the plan more equitable and workable administratively, and these have all been

(Mr. Johnson, cont'd.)..... implemented as approved by the legislation. These amendments also have helped to control costs in hospital and broaden benefits and keep them in line with current developments. In the end of 1960 our out-patient department list has grown to 44 different procedures that all go towards keeping the pressure for additional beds. Also, effective January 1st, '60, the Manitoba Hospital Services Plan signed reciprocal agreements with the Province of Quebec which now gives universal Canada-wide hospital insurance across the land, except in one or two provinces where there is a small deterrent, the card here will pay the per diem rate of the hospital concerned in the various provinces. Until the end of 1960 hospital accounts incurred outside of Canada were paid on the basis of fixed per diem rates. Certain inequities occurred with the travelling public, people who ran into sudden accidents while visiting in the United States or where they required very special operative procedures, and so on. We decided to broaden the benefits because of some very definite inequities and we have now broadened it that in case of accident or where care couldn't be adequately supplied in this province, or where a person named in an out-of-province certificate or dependent's certificate or person temporarily in that category outside the province we're paying 75% of the hospital benefits to the hospitals when these people become ill. In all other cases the benefits for care and treatment received in a hospital outside of Canada will be the lesser, I should say, of 75% of the hospital's charges for insured services or the per diem amount that would have been paid had the insured person been supplied with care in Manitoba in a hospital of the equivalent size. These extensions of our out-of-province benefits and our reciprocal arrangements with other provinces certainly greatly assist Manitobans.

Also we have been negotiating with the Cancer Treatment and Research Foundation in the order of declaring that institution a facility under the plan so that we could make payments directly to that organization rendering cancer treatment to major hospital centres rather than loading this into the hospital per diem rates as there has been done now which the hospitals would rather see paid directly by the plan rather than inflating their rates. And it's interesting to note that the plan makes payment to the Red Cross for certain services and facilities which the Red Cross supplies as a facility under our agreement with the Federal Government. In addition to paying 30% of the cost of the technical services relating to the blood transfusion service of the Red Cross, we pay the cost of a cross-matching service and disposable transfusion sets which the Red Cross supply to Manitoba. We feel that very definite advantages come from centralized cross-matching supplied by the Red Cross and results in a number of economies for our hospitals, and we are, therefore, anxious that it be maintained. I think we should be very grateful to the Red Cross for the kind co-operation the province has received. Although Manitoba pays 30% of the costs of the blood transfusion service, the Society meets the remaining 70% from its own resources. Were the Society not to maintain a central cross-matching facility in Winnipeg, it would mean that every hospital in the province would have to set up their own cross-matching units, and you can see the tremendous economies that are effected by encouraging the Red Cross to continue in this field.

Plans for hospital construction which the Honourable the Leader of the CCF referred to were suspended in 1959 pending completion of the study of hospital needs by the Hospital Survey Board established in the latter part of that year. Now I should make reference to the fact that this report has been delayed many times to my disappointment also at many times but it should be forthcoming. As soon as I receive it I'll table it in the House. I think it will be this month.

MR. PAULLEY: Might I ask, Mr. Speaker, if you anticipate receiving it during this session?

MR. JOHNSON (Gimli): I do. The Survey Board, Mr. Speaker, these projects that had been approved prior to the Survey Board being set up were proceeded with and 80 additional beds, 185 chronic beds were put into service in 1960. Those beds were in addition to the 202 that we had added in active treatment hospitals during the 18 months prior to December 31st of '59. When the beds made available in hospitals administered by the Sanatorium Board were brought into it, we added another 159 to our total. In addition to the increased number of beds provided during the period we have been in office, special services have been added or extended in many instances to improve services available in hospitals in addition to what we have been completed, a total of 624 new beds. Projects now in the course of construction

(Mr. Johnson, cont'd.) will provide us 445 additional beds and the necessary supporting services. In addition to this, the St. Boniface Sanatorium has been designated partly as a hospital for the chronically ill and within the next 18 months it is expected they would reach a total capacity of 150 beds. The other significant change in the regulations under the Act was the one whereby hospitals are permitted to retain 10% of their net income derived from the hospitals direct charges to insured persons for semi-private care. These monies may be used by hospitals for equipment purchases. Even prior to this change our policy of payments to hospitals for capital financing was the most liberal of any practice in Canada even though the Federal Government makes no contribution to us for capital costs except construction grants, we have been paying hospitals their full building depreciation costs plus interest charges on approved capital loans. We have not, however, removed the need for voluntary support, since the hospital undertaking a construction or renovation project must obtain from its resources 20% of the initial capital.

Before leaving this subject I'd like to mention that we amended the maximum charge that Manitoba hospitals could make to insured persons for hospital accommodation in the semi-private ward from \$2.50 to \$3.75 per day. This increase in the maximum was approved in order that the charges for semi-private would keep pace with the recognized hospital cost levels. Our policy with respect to private bill charges is that hospitals may charge reasonable amounts for their preferred accommodation, but no more. It was at this time that the semi-private maximum charge was raised that we announced our intention to allow hospitals to retain 10% of their net income from semi-private and private accommodation for the purpose of equipment purchases. The one area in our policy in trying to meet fair and equitably the needs of hospitals was in this area of very special equipment, where it was felt that there was really no resource other than voluntary funds -- completely voluntary funds -- for this area, and we consulted with the commissioner and hospitals; we felt that by allowing a 10% retention we could allow them to use this towards special costly equipment and this also gives an incentive to hospitals to collect this semi-private money. Prior to that time the policy in effect was that 50% of differential earnings were to be used to reduce shareable costs in accordance with the requirements of Federal legislation and the remaining 50% was used to reduce hospital capital cost payments which the plan made. In effect, it was the decision when the plan came into being that hospitals would retain their monies but we would deduct 50% of the differential earnings which they made and apply that automatically towards their capital costs because Ottawa does not share it.

I would like to say a few words about chronic facilities. Now there is no doubt that prior to the inception of the Hospital Services Plan it should have been realized by those in authority that the province was very short on beds for the chronically ill. Whereas one and a half chronic beds per 1,000 population is usually considered the minimum requirement, on July 1st, '58, Manitoba had only one half chronic bed per 1,000 of population. This situation, of course, resulted in undue pressure on the demand for active treatment beds; persons who could be cared for in chronic facilities at less cost had to remain in general hospitals. The government took immediate steps to remedy the situation and we have reviewed these previously. The negotiations fortunately with the Sanatorium Board of Manitoba; the Winnipeg Municipal Hospitals carried out a renovation program which provided an additional 45 chronic beds, and additional beds have been obtained lately through the co-operation of the St. Boniface Sanatorium and the Sanatorium Board of the province. In two years we have doubled the number of chronic beds in the province with little outlay of capital funds. Notwithstanding this improvement, additional beds for chronic illness will have to be provided to meet our needs adequately. We still will be interested in receiving the comments of the Survey Board on this subject as this is one of their terms of reference.

Now before going into detail with respect to the report on the financial estimates of the plan which I hope to have on my desk on Monday afternoon, I think it important that we speak to you for a few minutes about the methods whereby we control costs. We hear so much about this these days. What is the government doing to control costs? The necessity for controlling these costs is clearly evidenced by the picture presented in one of the schedules of that report. This schedule shows that the insured services alone, without taking into account the cost of mental and T.B. hospitals, organized out-patients -- without these -- without mental, without

(Mr. Johnson, cont'd.).... T.B., without out-patient departments in the teaching hospitals, without hospital capital costs, the cost will rise by approximately \$25 million in '59 to forty-two million, five hundred thousand dollars in 1963. The validity of the estimates is proven to a considerable extent by the fact that the Commissioner, who is just getting ready his estimates for last year for tabling, has informed me that his anticipated deficit of 1.8 million is working out to approximately that figure, within one or two hundred thousand dollars; which shows the accuracy of his predictions in his long study last year.

Preliminary figures as reported in the February 9th edition of the Toronto Globe and Mail indicates that the Province of Manitoba is not alone. Dividing Ontario's bills by 6.3, which is near 6.3 times bigger than we are, we find a similar deficit in our Province of Ontario. I understand they did not increase premiums; I understand they are now facing a huge deficit in their operation. Another thing, in controlling of our costs, all hospital budgets are reviewed by the Budget Committee which is a statutory body under the Commissioner of Hospitalization, the Assistant Commissioner and the Deputy Minister of Health, the Director of Hospital Finance, the Director of Hospital Standards, and this Committee has reviewed four separate budgets, the first being the latter six months of '58, and the last one for the calendar year '61. The budget forms now in use are designed in such a manner that estimates for the budget year can readily be compared with the latest experiences and the most recent figures. Analysis of the budgets involves a preparation of comparative schedules of costs with other Manitoba hospitals of the same size and compared; comparison with costs in previous periods and many other statistical indices. Salaries which constitute the largest portion of hospital costs are analyzed to determine the number of hours of employment, per patient days and the average cost of salaries per hour of employment according to the various categories of hospital staff. The Budget Committee co-operates with hospitals in their efforts to ensure that hospital employees work under conditions which are generally as favourable in the community and as you are well aware, this has involved a major up-grading in fringe benefits, working conditions and salary levels since the introduction of the plan. As an example of up-grading of fringe benefits, a study on pensions and group life insurance programs for hospital employees was initiated in '58, for which professional consultant services were retained. The Associated Hospitals of Manitoba have now called quotations from insurers on the group life insurance program for all hospital employees which has been approved by both the Federal and Provincial Governments. This is expected to become effective in '61. The study respecting a pension program for hospital employees is continuing. In addition to making fringe benefits now generally enjoyed by other employees in the community uniformly available to all hospital employees, substantial economies are achieved when hospital employees are considered as a group. One of the central features of the proposed pension plan will be the portability clause allowing hospital employees to drift from one hospital to the other and across the country. Hospitals are now in a better position than they ever were before to attract competent personnel which is basic to any provisions of a satisfactory standard of care.

It is also necessary for this committee, the Budget Committee, to make detailed analyses of the cost of drugs, medical, surgical supplies, food costs and other major items of expense, as well as to investigate the many other aspects of these complete operations. It is possible, despite the most detailed consideration of hospital budgets by the Committee, that important factors peculiar to the individual hospital can be over-looked, and it is recognized that in certain instances, averages do not apply. In view of this, hospitals have the right to appeal the initial rate proposals of the Budget Committee. Interestingly enough, in 1960, 54 of the 77 budget review hospitals filed an appeal. In so doing they were able to file supplemental information to support their claims for more funds, and following notice of the decision of the Budget Committee at this appeal, they are entitled by legislation to appeal to the Minister if they wish to make further representation in connection with the rate. Provision for retroactive adjustments, based on audited financial statements for the budget period provided a further assurance that any just and reasonable cost incurred by the hospital in excess of their authorized budget, will be allowed. The work of this committee is complimented by the Hospital Budget and Accounting Division of the plan whose function is to review and interpret hospital budgets, financial statements and other data on the financing of hospital care as it relates to the establishment of rates of payment, annual statements with respect to Federal Government contributions

(Mr. Johnson, cont'd.) and capital budgets for hospital construction programming. All material and conclusions required by the Budget Committee are prepared by this division of the plan, which is in constant contact with budget review hospitals throughout the year for the purpose of assisting in budget preparations and accounting matters. One of the major tasks of this division is to investigate all budget items and the auditing of hospital financial reports.

Mr. Speaker, with each budget review, large amounts of money are sometimes deleted from the original budget proposals. For example in 1959, if I recall, almost 1.5 million was deleted from the total budgetary report of 26 million. In 1960, over \$2.2 million was deleted from the total budget submitted, and that in the neighbourhood of \$30 million. Despite these deletions, I am confident that our hospitals feel that individually they receive fair and equitable treatment. Now the study of Manitoba hospitals by management consultants has been undertaken in this province. Despite the many studies undertaken in connection with the reviewing of budgets which I have described, we have been aware that this is primarily a comparative study between the hospitals in the province and we wanted a more objective study. One large teaching hospital in the Winnipeg area, the Winnipeg Children's Hospital, has agreed to participate in a detailed study of their operations by a firm of management consultants. This proposed study which we have been talking about for some months now will attempt to determine whether or not current operating costs are at a reasonable level consistent with a high quality of patient care and sound business practice. These people who are going to be doing this study have devised techniques in large eastern Canadian hospitals and in private business for studying organization, clerical procedures, work methods, use of space, labour productivity, etc.

I think I would just say myself here that I think our plan and officials have done a tremendous job in the administration of this plan and in the analyses of budgets. I am personally confident that the experts won't tell us very much, but I do think that with costs the way they are rising across Canada today, that this is a wise move and an adjunct, and I wholeheartedly supported the Commissioner in his suggestion that we have someone else look at one of our operations and see how our budget reviews compare with the methods that are used in other areas. I'm sure they can learn from us, Mr. Speaker. It is proposed that representatives of the plan and the hospital will observe the technique used in the study, and we hope to carry this on to other hospitals, using these methods. I would like to express my gratitude, of course, to the Board of the Children's Hospital and their administration for their willingness to cooperate in the study of this nature.

Home-care program. Well, I'm pretty keen on home-care programs, Mr. Speaker, and I have written quite a few pages here, but I'm going to relieve the honourable members and the House in this matter, but this is an area that requires continuous work and continuous investigation. The programs as run at the Winnipeg General Hospital are keeping 100 sick people out of hospital and where they would rather be at home with housekeeper and other services. We will hear in our estimates in Health that we are keeping numbers of people with advanced poliomyelitis in home-care situations. We, under our Social Allowances Act, have many people, about 160 this year, on home-care program. Home-care in itself must be explored and always utilized. It is not the whole answer to saving of hospital beds, but is a most important adjunct to the program and I think we in this province are as advanced as anyone in the Dominion in our knowledge and concern and effort in this area. We're extending these programs, working with the federal authorities trying to talk them -- as a matter of fact we have concurrence from the federal authorities that in the administration of such programs on hospital bases they will share in the administration cost thereof. Now we have them in the three departments. We have the large equipment purchases. Another area that I thought should be brought to the attention of the honourable members in dealing with this immense hospital problem was the setting up, the anxiety that we showed as a government sometime ago that adequate financial support be available for worthy projects of a clinical research in Manitoba hospitals. We have a responsibility as a government to see that funds are not spent injudiciously, that unnecessary duplication of very, very expensive hospital equipment does not occur in this province. In the late '59 we set up a scientific research advisory committee of our scientific group of men to whom I submit all requests for very highly specialized equipment, and this body in turn advises us. We are very fortunate to have very excellent men on this committee.

Another important thing that has gone on under the plan is the setting up of the standards

(Mr. Johnson, cont'd.).... division. This was established in June 1959 and is now an intricate part of the Hospital Services Plan as of November '59. This division is responsible for the inspection of hospitals, providing consulting services to hospitals to assist them in maintaining adequate standards of care. The director is a physician and his staff are specialists in their various fields of administration, nursing, dietetics, laboratory and x-ray, records and pharmacy. The division has access to expert advice from the Department of Health, Deputy Minister and others, the Department of Labour and, of course, the Power Commission and all other branches of the Provincial Government. They have prepared at the present time a temporary draft of hospital standards. These standards, however, I have asked the various associations in the province to study most carefully as they seem very far reaching. You know in the Province of Manitoba we never had any -- and I don't blame anyone for this, it's just in our evolution -- we've never had any highbrow hospital standards, and we are trying to develop these, but it will take time and I don't think any government should go too quickly at it because after all we want the best standard of care but we want to keep it within reach of the public. These consultants, however, have completed visits to all the hospitals in the province and have brought down some very excellent recommendations and are looking always at two facets: the best possible care at the lowest possible price, without jeopardizing the health of anyone.

Now in the smaller rural hospitals the effective use of space and equipment has been one of the real areas that the Standards Division have been able to look into in improving planning and other aspects of hospital operation. Well, Mr. Speaker, the Minister of Education seems restless beside me. I wonder if I could continue after supper?

MR. PAULLEY: Mr. Speaker, may I suggest that with the permission of the House -- if the Minister hasn't too much more on his agenda -- that with the permission of the House we allow him to continue past our standard closing hour. I frankly must admit, Mr. Speaker, that I have a very selfish motive for proposing this at this time. We of the new party have as our guest speaker this evening the Honourable Premier from Saskatchewan and all of my members are desirous of attending a banquet and meeting with him tonight. Now if it's not agreeable then of course we will have to come back, but I suggest that with the agreement of the official opposition that we permit the Minister to go on if it's not going to be too long. If it is going to be for a lengthy time, well then, of course, we'll have no alternative.

MR. ROBLIN: I believe that this is an awkward situation and I regret that it discommodates the gentleman opposite if we should -- whatever that word means, it sounds like a good one -- if we should meet at 8 o'clock. We are up against two things here. First of all the Minister has only got about half way through his statement I think. He has a great deal more he wants to give. Now normally one would think that we might hear it at another time but I think that we should remember that both of the leaders of the parties opposite have made this one of the main charges that they've levied against the administration that this hospital premium thing is not right, and it would seem to us that we should take the very first opportunity that we had to make the lengthy and considered statement of the whole matter so that it would be before the House and the public, and so we think that we should make that statement now. That's the first point. I don't think it's fair to my honourable colleague who has been under considerable criticism that he should not complete his statement at the earliest possible moment. Then there's the second factor. That is we are now operating this year under new rules when there is a limitation to the length of time they may take in the Throne debate and I would not like it to be said that the government did anything -- and I'm sure my honourable friend opposite would agree with me on this -- I'm not saying anything else -- that we should recognize that we now have to face the business of sitting the full period of time so that there should not be any possibility of members who wish to speak in the Throne Speech debate be denied the opportunity because we didn't sit. Now those are the two points and while it may be that no one wishes to carry on after my colleague is finished tonight -- and I can't tell about that -- I think that we should probably come back at 8 o'clock. We might do this, if it's any help to my honourable friend and others find it agreeable, we would perhaps not come at 8 o'clock sharp, we might come at 8:30 or 9 if that helps them at all so they'll have a little longer period at this important public function. I want to accommodate him if I can but I think that we should hear my honourable friend out tonight.

MR. PAULLEY: Mr. Speaker, I appreciate the remarks of the First Minister, and I,

(Mr. Paulley, cont'd.).... too, want to hear fully the reply of the Honourable Minister of Health and Welfare. It does seem to me however that we will have to be back here this evening. I doubt, or I don't know whether it's possible to delay the opening. I agree with the First Minister that with the limitation of debate, he's so right in that, I've certainly no objection to it. It was just one of those things that this was the only evening possible for us for this banquet, but I want to assure you, Mr. Speaker, and all of the members of this House, in my opinion the business of the House does come before even listening to the Premier of Saskatchewan; so whatever is the decision, if we rise now -- I'm prepared to be back at 8 o'clock.

MR. ROBLIN: I would undertake this suggestion and see what the opinion is that we should rise immediately and perhaps reassemble at 9 o'clock. I know that would enable my honourable friend to complete what he has to say, but there may be other members who want to speak tonight, but if there is agreement we could unanimously resolve to come back at 9 and that perhaps would be a little easing of the squeeze on my honourable friend.

MR. CAMPBELL: Mr. Speaker, I have found through many years of experience in this House that usually we spend as much time debating what we shall do as what time it would take the person on the floor to finish the statement, and I gather that isn't the case at the moment, but I was wondering if I could offer still another suggestion. I would say that the statement that's being made is most interesting and certainly there's every right of the Minister to make it, it's a good statement, I think he's perfectly right in getting it on the record. Would it not be though that perhaps he and the government have achieved their main objective and that is a fair one, of getting this statement on the record to a sufficient extent that perhaps the press and the public have used up about all the space that they're going to have and perhaps the Honourable the Minister would be willing to adjourn the debate at this time?

MR. ROBLIN: We haven't really come to the important part yet. This is just the preliminary you've heard.

MR. CAMPBELL: Certainly the proposal of 9 o'clock requires only unanimous consent and I'm sure that with my honourable friends wishing to hear Tommy Douglas I would not withhold that consent. I'd a lot rather hear Tommy Douglas myself than a lot of what goes on in here. And I'm not referring to the present speech.

MR. ROBLIN: Perhaps I ought to move that the House do now rise and meet again at 9 o'clock this evening. Seconded by the Honourable Minister of Industry and Commerce.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: I leave the Chair and the House will resume session at 9 o'clock this evening.

9:00 p.m.

MR. JOHNSON (Gimli): Mr. Speaker, when we closed earlier and speaking to this sub-amendment and giving a review of the complexity of programs of this scope, I was talking about how we have attacked the problem of the controlling of hospital costs, and I was into the few remarks concerning the standards division of our plan where we have the specialized people, and where these consultants have now completed a series of visits to each hospital in the province and have been able to assist the smaller hospitals in a more effective use of space and equipment in existing hospitals and better purchasing methods in improved planning, and in many other aspects of hospital operation. In some cases many of these smaller units have been most efficient. In other areas we have been able to be of much assistance. The plans for construction and renovation, programs for the general hospitals in the province are now studied in great detail by the personnel of the standards division. The suggestions made with respect to these plans will have an important impact in years ahead on the efficiency of the hospital, the capability of the hospital to properly service its patients and assure a high standard of care and at the level of its operating cost.

Hospital costs are also controlled, Mr. Speaker, through the claims division of the plan, which division co-operates closely with the plan's medical consultants. Hospital accounts submitted on behalf of insured persons are only honoured by the plan if the care and treatment

(Mr. Johnson, (Gimli), Cont'd.) received was medically necessary and if it is essential that it be provided to an insured person as a hospital in-patient. By this means a financial deterrent is imposed on insured persons for hospital care that is not considered essential from a medical point of view. This is an area, I might add, where we've been most fortunate in getting a great deal of co-operation, as our consultant has consulted with the various hospitals throughout the province. As I previously mentioned in connection with the amendment to the regulations, we have expanded out-patient coverage under the plan. Originally these benefits were available under the hospital services plan within 24 hours of an accident and for emergency diagnosis and treatment, and as we recalled earlier at the last session and on other occasions, in consultation with the medical association out-patient coverage has been extended on different occasions and at the present time there are 44 different procedures now insured. This has been a most important impact in controlling costs. I was quite surprised to find that many provinces have not been as liberal in this area as ourselves. In 1960, for instance, over 50,000 separate out-patient visits, claims were paid rather by the plan. It appeared to the government there should be no financial impediment to the care of patients in the out-patient department when as a result of many cases the admission of the patient to a bed could be avoided. On the other hand every attempt has been made to insure that hospital services on an out-patient basis are not utilized if the necessary care and treatment can adequately be provided in a doctor's office. Shortly after I took office many doctors pointed out the ridiculous situation where their patients demanded admission to the hospital as an in-patient where full coverage was available under the plan, rather than treatment on an out-patient basis where they would be responsible for the payment of the account. I have every reason to believe that this extended coverage has been popular both with the public and with the profession and we shall continue to consider additions to the list of approved procedures as this appears warranted.

Now, in the controlling of costs, one of the major early steps that was taken by this administration was the appointment of the Manitoba Hospital Survey Board. It was generally recognized that the greatest control of costs under the plan can be effected to proper control of the number of hospital beds constructed in the province. This is the key. Under a program of this nature it is impossible for the government to consider the needs of any one hospital in isolation from the community in which the hospital is located and in fact apart from the total hospital bed situation in the province. An efficient and economical hospital care program demands that the government provide a sufficient number of beds to meet the needs of the residents but equally important, to insure that more beds than are necessary are not built. In the month immediately following the time this government took office I received requests from individual hospitals for approval of construction projects involving hundreds of beds. The mechanics did not exist then as to which would indicate where beds were most sorely needed and in fact whether any additional beds should be provided at all. After meetings with representatives of the major hospitals, Sanatorium Board and Associated Hospitals of Manitoba, the Catholic Hospital Conference, the Manitoba Cancer Treatment and Research Foundation and others, there appeared to be no other alternative but to undertake a study on a provincial-wide basis of bed requirements. In late '59 the Survey Board was established consisting of Dr. Willard as Chairman, Dr. Adamson and Mr. J.A. McNabb who had been a top administrator in Ontario.

The terms of reference assigned to the board are familiar I'm sure to the House but I'd like to review them with you once again. First of all we asked this Commission to study the overall supply and distribution of bed accommodation in Manitoba in meeting present and future needs under the insurance plan; two, the bed requirements of rural areas, towns and cities, metropolitan areas, and the relative needs for chronic, convalescent and active treatment facilities as part of an integrated and balanced system of hospital facilities in Manitoba; thirdly the relationship of long term hospital facilities to alternative care facilities; the adequacy and supply of hospital personnel; five, the adequacy of educational facilities for training these hospital personnel in sufficient quantities and numbers of staff, to staff present and future facilities; sixth, any other aspects relating to the services to Manitoba which may be referred by the Minister. The Survey Board visited all the hospitals in the Province of Manitoba, met with representatives of boards, medical staff, administrative personnel, received briefs from many. The detailed

(Mr. Johnson (Gimli), Cont'd.)....needs of each hospital were then related to the requests from neighbouring hospitals to regents of the province and finally to the province as a whole. The Survey Board advise me they're now completing the writing of the report and I am confident that this will represent an invaluable guide to the government in the early development of facilities in the province in years to come.

The Honourable Leader of the CCF has mentioned that on many occasions I have anticipated the report ahead of schedule which I have done consistently and in all honesty, but this has become one of the most, probably the most comprehensive and most far-reaching detailed study of not only acute hospital beds, chronic beds, the role of alternative home care, etc., that's ever been produced by any of the provinces in Canada. It is interesting that, and I'm sure the result of rising costs of hospital care across the country, that the federal authorities recently asked us for some figures in this regard and we have had to await the report of the Survey Board which I expect will be tabled as soon as I receive it. I intend as soon as it is printed--I understand that this will be in the next four or five weeks.

In order that we may ensure a large amount of public funds for construction and renovation that will be required over the next few years, and that this is expended in the best possible manner, we plan to obtain the services of an architect with the Hospital Services Plan. We are concerned with the rising trend of hospital construction costs and feel that through proper planning and design of hospitals these costs can be reduced and satisfactorily controlled. The responsibility, Mr. Speaker, of the management of hospital is something that I should remark upon very forcefully. Much has been said in Manitoba and other provinces of the necessity of maintaining local economy in connection with community hospitals. Certainly it is the wish of this government that such economy be preserved. If this is to happen it is essential that hospital boards and officials assume a realistic and reasonable approach in arranging the financial affairs of their hospitals. Since the plan was introduced the commissioner and officials of the plan, as well as myself, have repeatedly stressed the responsibility of management to produce budgets for their hospitals which are reasonable. This has been done in speeches to the associations and discussions with individual hospital boards and elsewhere. I am very impressed that whereas when this plan first became inaugurated two years ago there seemed to be the feeling abroad that while the government's in the business there's no more room for volunteer support. I've continually said, and I still believe, that as I've said earlier, the hospital care will become much more meaningless unless we continue to encourage and to foster local economy and voluntary support. I don't think I'm a dreamer; I don't think the government is dreaming, and I do feel and I do sense and see growing concern again for more voluntary participation. I think everyone in this House should encourage this tendency. I consider it a responsibility to remind boards throughout the province that if we fail to keep hospital costs down in partnership with themselves, and the costs of hospital care in this province and these services get out of reach of the public, that the alternative would be for the government to usurp the local autonomy which now exists.

Per capita hospital costs, Mr. Speaker, is another grave problem. Having discussed the various methods we use in controlling hospital costs while improving service you might ask how our costs compare with other provinces. The estimated per capita costs for insured hospital services in '59 and '60 as supplied by the Department of National Health and Welfare indicate that Manitoba in both years has a lower per capita cost for services insured under the plan than any of the provinces to the west of us. In addition it would appear that the per capita cost in Ontario will be very close to our own even though they introduced the government hospital plan later than we did. Further reference to this point is made in the report on financial estimates for the plan which I will be tabling. Per capita costs in the four western provinces for '59 and '60 from the National Department are as follows: British Columbia '59 - 28.50, 1960 - 31.81; Alberta, 1959 - 28.83, 1960 - 32.13; Saskatchewan, 1959 - 34.29, 1960 - 37.21; Manitoba, 1959 - 27.98, 1960 - 31.64. For the next three years in this report you will see on Monday the estimated per capita cost for Manitoba for the next three years are predicted at: 1961 - 36.06, 1962 - 39.75, 1963 - 44.77. I've described at some length the action taken by the government to improve coverage under the plan, to improve standards of care throughout the province, to ensure that hospitals are able to attract qualified personnel, to ensure that public funds are being expended in the most effective manner to achieve maximum results and

(Mr. Johnson (Gimli), Cont'd.).....the steps taken to provide continuing consideration of ways and means of effecting improvements in the hospital program. I've already mentioned how hospital facilities have been expanded as the need has proven itself, despite our hesitancy to provide for any general expansion, pending receipt of the Survey Board. This should assure you that the government has had an eye to the long term planning of facilities and services in the province for future years and to ensure that such facilities and services are expanded as our population grows and in accordance with need. The Survey Board will be providing their recommendations in the near future as to the government's participation in the expansion of facilities over the next five to seven years in an orderly basis. Since January 1st, 1958, the provision of new facilities has been impressive and I think deserves mention in view of the remarks we heard this afternoon by the Honourable Leader of the CCF, who spoke of the "deep freeze". Here's what the deep freeze has meant in the last two and a half years. The deep freeze of \$15 million of hospital construction and here it is, approved by this government.

MR. PAULLEY:

MR. JOHNSON (Gimli): The new Rehabilitation Hospital, Winnipeg, with 222 beds will be opened in '62 to provide an important new hospital service in Manitoba. This will cost over \$4.2 million.....

MR. PAULLEY:covered by hospital premiums?

MR. JOHNSON (Gimli):including facilities in the Central Tuberculosis Clinic.

MR. PAULLEY: Will it be covered under the hospital premiums?

MR. JOHNSON (Gimli): Under the premiums? Yes.

MR. PAULLEY: Thank you.

MR. JOHNSON (Gimli): The new service wing at the General Hospital costing more than \$3.3 million will be completed in '61. A new 219-bed hospital replacing obsolete facilities at Brandon in 1961 will be finished at that time at a cost of \$3.6 million. At a cost of more than \$1.3 million the new hospital facilities will be added to the Dauphin General Hospital, with major renovation in the existing building. A new 20-bed hospital opened in Rivers on February of this year -- of '60. Additional beds and service areas are complete or nearing completion in Baldur, Erickson, Hamiota, Stonewall, Morris, Reston, Glenboro, St. Anthony's, The Pas, Birtle and Arborg hospitals. Planning is underway for construction and/or renovation projects at Gilbert Plains, Altona, McCreary and Ashern. Northern nursing stations operated by the Indian and Northern Health Services were declared facilities in 1960 and additional stations were added in 1961. Berens River, operated by the Grey Nuns was declared a facility in 1960. Some of the points made previously - the Canadian Red Cross Transfusion Depot in Winnipeg as a facility, the wide range of out-patient services, and our activities in the field of cancer. Facilities for chronically ill have been obtained at the Assiniboine Hospital - now 200 beds; Clearwater, The Pas - 58 beds; municipal hospitals another 45 beds in '60 without any large outlays of capital funds. A new physio-therapy building adjacent to the Assiniboine Hospital in Brandon was opened in November '60 and built at a cost of \$229,000, part of which was eligible for construction grants. A well designed unit for physically and mentally handicapped children is being developed at St. Amant Ward where 12 of these beds at the sanatorium have been taken over by the Plan for the acutely ill elements in that field of care. 150 beds are being made available in the coming year in the St. Boniface Sanatorium for the chronically ill. In 1959 the new addition to the Grace Hospital in Winnipeg was completed; an extension and renovation to the Nurses Residence of the Children's Hospital was recently completed and a renovation project at the Misericordia Hospital is now complete. These are many of the areas, Mr. Speaker; these are projects that were in limbo at the time we came to office and have been approved before the Survey Board was appointed.

Now, let me mention the principal reasons for increases in costs of insured hospital services. This is the area which will be described again in this report which I will be tabling. First of all there's the increase in patient day volume caused by additional beds, and one of the main reasons for these additional facilities is the growing population of Manitoba, the relatively greater increase in the number of the elderly who, of course, require more hospital care than the average person. This factor alone will make up about 40% of the total increase in costs during the next three years. The second major factor is the increase in cost levels. It is estimated that approximately 46% of the total increases in hospital costs during the next three years

(Mr. Johnson (Gimli), Cont'd.) will be attributable to this factor. The final major factor in increasing costs is the need to provide for additional services, greater utilization of special services and improved standards. The advances of medical science constantly necessitate the addition of new services from time to time. In other cases certain services have been established in clinical research in larger centres and gradually are built up in small hospitals. It is expected that as in the past, utilization of special services will continue to increase steadily. The provision for additional costs to improve standards covers a multitude of things and we estimate that this factor will account for 14% of the total increase in costs over the next three years.

These matters are dealt with in considerable detail in the report on the financial estimates of the plan which I will be tabling. I would ask you to note, when you receive this pamphlet on this financial study, that it includes a complete picture of the cost of hospitalization in Manitoba. In other words every type of hospital to whom payments are made has been included in developing the cost estimates, even though such hospital services are not included in the agreement between the Province of Manitoba and Canada, and therefore not considered as shareable hospital costs in the determination of Federal contributions to the cost of the Manitoba Hospital Services Plan. For example in the report the net estimated costs of mental and TB hospitals which are not shareable with the Federal Government are shown on schedules in this report. For instance you'll see figures in 1961 of 6.8 million; '62 of 6.4 million and '63 of 6.7 million. This is the cost of these programs to the province which are not shareable with Ottawa under the plan and these figures exclude Federal grants that are made in the fields of mental health and tuberculosis. The full net cost of care and treatment provided to Manitobans in these hospitals is assumed by the Province of Manitoba and paid from the general revenue. The costs of these hospitals have been included in the report in order to show the total costs of operating hospitals in the province. But it is important to note that the Manitoba Plan premiums are not affected by the cost of care and treatment provided in these hospitals since it's completely borne in the general revenue of the province.

Another cost that is non-shareable with the Federal Government is hospital capital costs which are made up of depreciation on buildings and interest on approved capital debts. There is a complete lack of uniformity amongst provinces on policies respecting the reimbursement to hospitals for the cost of depreciation on buildings and interest on capital debt, but we feel that our policy is the most liberal of any province in Canada. It will be noted in the report that this cost amounts to approximately a million dollars for each of the three years that I mentioned. A further item that is not shareable with the Federal Government except for indirect cost is the cost of operating the out-patient departments of our three teaching hospitals. The direct and special service costs of operating these hospitals is borne by the general revenue of the province and averages more than \$600,000 per year for the three years mentioned. In addition to these items the province pays a direct subsidy to the plan. Now for 1959 and 1960 this subsidy was paid at the rate of \$3 million per annum from the consolidated funds of the province. Since this subsidy was not directly related to costs of the plan we have developed a long-term policy whereby the subsidy is directly related to the MHSP costs on the basis of a formula which reflects the cost of providing care to the recipients of public assistance by the plan and also the special service costs of the organized out-patient departments in the three teaching hospitals which I mentioned was not shareable under the Federal agreement. On the basis of this formula our direct subsidy to the plan for the next three years has been estimated; the following escalator clause works out to '61, 3 million; '62, 3.1 million; '63, 3.735 million. Therefore the total provincial government contributions from general revenue towards the cost of operating all types of hospitals in the province will be: in '61, 9.3 million; '62, 9.9 million (these are rough figures) and over 10 million in 1963.

In 1963 the province will be paying approximately \$2-1/2 million more from general revenue than it did in 1959. Out of the total hospital costs of \$141,856,000 during the three-year period of '61 to '63, the contributions of the provincial government from general revenue will amount to \$30,277,600 or more than 20% of the total cost. After deducting contributions from the Federal Government a balance of \$59,245,700 is left to be covered by premium payments, or if you wish, to be met by the people of this province in one way or another.

I think it is important that we keep in mind the basic philosophy which we have adopted

(Mr. Johnson, (Gimli), Cont'd.) . . . and that is, when a Manitoban gets sick, he has to be looked after. This does not mean that the present system of financing the cost of care in hospital is a matter which should not be of vital concern to all of us. Mr. Speaker, we inherited the premium system. As I have indicated we have tried to make it work on a sound and reasonable basis. However, it's up to this legislature whether we will perpetuate the premium system, modify it or introduce a completely new system of financing the cost of hospital care. Hospital costs cannot be considered in isolation from other health and welfare costs; hospital costs go beyond reason whenever people have to be hospitalized for sickness that could have been prevented. They go beyond reason whenever people stay in hospital because facilities of care and attention cannot be found for them in the community. Universal experience of those governments where comprehensive hospital benefits are available to the people proves that preventative services and alternative care services must accompany and complement hospital services. These supportative health and welfare services are not only more humane in times of meeting the needs of the patient but they are infinitely cheaper than the construction and occupancy of hospital beds. Unfortunately, we in Manitoba previous to the introduction of the hospital plan, had too little understanding and almost no preparation of alternative health and welfare services. Quite frankly, previous to the plan, we failed to provide adequate home care, visiting nursing, or nursekeeper services, or decent minimum standard nursing home or institutional services. Divided as the field was among municipalities and the provincial government, we failed to provide adequate planning, co-ordination, management or creation of the alternative health and welfare services required to sustain and protect a comprehensive hospital insurance plan.

During the past twelve months, Mr. Speaker, we have taken many steps to remedy this situation, and I want to share them with the honourable members. Patients in nursing homes and nursing institutions have been categorized medically as to the care they really need. Movement of those requiring chronic care is already taking place to the extended treatment facilities we have obtained at the Assiniboine and now lately at the St. Boniface Sanatorium. Sound medical, social and architectural considerations have been involved in prototype plans. We are now suggesting to municipalities and voluntary groups as we are encouraging them under our Elderly Persons' Housing Act, to build hospitals or residences for the aged, for the frail and the elderly, which must not degenerate into third-rate hospitals. Through our social allowances program of supplementary assistance to the aged, the cost and placement of the aged and infirm, the comprehensive health services through Medicare, we have developed in the past twelve months sound preventable alternatives to thousands of individuals who were highly potential risks for our hospital plan. Myself and my colleagues in the government realize that many significant guides and suggestions will be presented in the forthcoming report of the Hospital Survey Board, particularly where they deal with those parts which cover the relationship of chronic and alternative care facilities and services to acute hospital services. It will be most interesting to see what the report says in that regard.

Finally let me say as I did when I announced the increase in premium rates on June 8th of last year, that the plan has won the approval of all who are determined that the very real in health needs of the people are met. We cannot, in all conscience, curtail the services and thus deprive the sick and needy of necessary care. It was necessary for us to establish the new rates for 1961 based on actuarial projections and a realistic assessment of the demands to be met. Let us remember that more than one out of every three Manitobans have used the plan since it began two and a half years ago. Today, in Manitoba, the financial barriers to the finest of hospital services have been remedied -- removed. It is a blessing that so many people now have this service available. Even at the revised premium rates, let's face it. A single person will pay less for a full six months' protection than would have cost him for one day of hospital care at the current levels of cost; a married person will pay less to protect his entire family for half a year than it would cost him for two days of care if he were not covered. Let us be the first to admit that we had various alternatives open to us in selecting the period of time to be covered by a given premium rate. We decided that premium rates should be on the basis of a three year projection. It is readily seen that this is the least expensive policy from an administrative standpoint. During the three years the rates will be in effect we would expect to accrue a surplus at the end of the first year, almost break even the second year, and a loss in the third year. We plan to get the surpluses for '61 and '62 into a premium

(Mr. Johnson, (Giml), Cont'd.) stabilization fund in order that the loss incurred in the last year of the three year period will be taken care of. I think it important to note that on the basis of these estimates we are aiming for almost a balanced budget at the revised premium rates for the three year period - '61, '62 and '63 combined. If we can hold costs below the estimates, we may be able to let the present rates stand for a longer period.

I am sure you can see the disadvantages involved in increasing premiums every year, or even for a shorter period. Constantly changing rates would be confusing to the public, and from an administrative point of view, such a program would be most expensive in this area. It has been suggested to the public that a 10% increase in premium rates per annum would be all that would be required to handle this situation. From an analysis of our estimates, I think it will be readily seen, when you get this report, that a flat 10% per year is not the answer. It does not take too careful study to indicate that 10% in premiums would not be sufficient to meet the costs. The increase is more akin to 15% per annum and this is the reason that we are so concerned with costs and are making every effort to control them. A very small surplus is projected for '62 and a loss for '63. We will make every effort to keep costs below what has been estimated in the report that I have on the table. But I think we have to be realistic. If we expect to have good hospital care in this province, we have to pay for it. One comment re the 15% increase. The report will show that whereas increases in the three year period range from between 12-1/2% and 15%, the increased costs due to rising cost levels range between 5 and 7-1/2%. The remaining costs are to cover the increased volume of service and expanding standards of care. In other words, we're getting into a bigger business all the time and this expansion is responsible for this difference.

In carrying out our duty as a government, Mr. Speaker, we have no other recourse than to institute the necessary increase in time to allow the commissioner to collect from the employer groups, as monthly deductions as you know, are paid six months in advance. I asked the commissioner in May of last year to put in suitable forms, the same material, data and schedules which he presented to myself prior to the increase in these rates so that I could lay before this legislature all the facts required to enable the honourable members to study the whole problem and to give them a complete picture of the financial implications of the period under study. Let us remember that the hospital and health service costs paid by the Federal Government, if I can believe the latest report I have read, are going to climb next year to \$750 million a year across this nation. As you can see only too clearly, rising hospital costs, this expansion into big business of looking after sick people, is a universal and not a local problem in Canada. I will, Mr. Speaker, table sufficient copies of the estimates of the plan for the three years, '61, '62, and '63 on Monday, I expect, and I wish to give notice that I will move, in due course, that a Special Select Committee be established to study this report and to give the House an opportunity to any other proposals they may have for the financing of this scheme. At that time my honourable friends, the Leader of the Opposition and the Leader of the CCF Party, can examine myself, the commissioner and staff as they may wish.

Mr. Speaker, in summary, this government did in all consciousness and not unconscionably what it believed to be right-- a straight-forward approach. We could have let a deficit accrue, that's obvious, but we felt we had to meet it. We had to make sure that the people of Manitoba would get the continued high standard of care, and we had to therefore take the appropriate action to make the funds available for this very necessary purpose, that no curtailing of services might result. Of course, as the First Minister has often said and we on this side are most aware of, is the concern we have for those fellow-citizens of ours in the lower income groups where a premium of this nature can create a hardship. This is the area we continue to explore. Hospitalization is here and we have to make the best job of it we can.

Now in speaking this afternoon, the Leader of the CCF Party made reference, saying he didn't know how good a job we were doing in this area, that this government-- I would suggest to submit, Sir, on the basis of what I have said this afternoon, I've tried to outline some of the very major areas of our concern and the energy and activity that we have tried to display in protecting public funds and in bringing the best service to the people. The Survey Board, as he mentioned, as I tried to point out, we have carried forward with vigour a large program in this province on those areas that were approved prior to our appointment of a survey board to study

(Mr. Johnson, (Gimli), Cont'd.)....the future needs for beds in this province because these costs in this plan make this prediction are directly related to the number of beds we build. We did not usurp the legislature and I have dealt with this. The Leader of the CCF Party made reference or reference was made today to his television appearance, and that was one occasion last summer when I happened to be home in the evening and watched my honourable friend perform. My honourable friend was referring to the amount of subsidy which the province was paying and made reference to the decrease from I think it was 3.4 to 3.2 million in last year's estimates. My honourable friend forgot the lecture at that time. At the time of introducing those estimates I pointed out that by negotiations and foresight on the part of my staff, many services which were formerly 100% provincial responsibility, by taking them under the plan we were able to realize 50% sharing on some of these items and this, in turn, as far as I'm concerned -- I'm not a financial expert -- but to me it means more money in the four corners of this province. (Interjection: Hear! Hear!) And I was quite amazed to see of all the aspects of this great plan that this was the one that he brought up that I thought I had lectured him on sufficiently well at the previous session ----- (Interjection) Well, Sir, we'll come back again to that I can see, later in the estimates. Of course the honourable member, he talks of further money out of the revenue, more subsidy from the consolidated revenue. Now what new tax and how equitable will that new tax be, he can explain to the Special Select Committee of the House, or I hope he gives them some insight at that time -- I'll be glad to hear it.

MR. PAULLEY: He'll be there.

MR. JOHNSON (GIMLI): Good. Now we come to advertising. By golly, of all the aspects of this great public utility, this Hospital Services Plan, that pays out \$30 million a year to cover the health needs of the people of this province who are really sick, he picks on my budgetary item of advertising. Advertising, he calls me. Well, I want to tell him that one of the few criticisms -- I get lots of criticism, of course -- but one of the few was this business of placing some ads in the newspaper to inform the public of the activities of this plan, what it meant, what its benefits are. Heavens, the Honourable Leader of the CCF Party certainly knows that the advertising program of this plan is divided into three categories; the premium collections -- we certainly have to advertise and tell the people when to pay, remind them ---

MR. PAULLEY: year.

MR. JOHNSON (GIMLI): The notice of the rate increase in 1960. When rate increases are changed we have to tell the public and we did that; and thirdly, public information. Now it's a compulsory plan, I grant you. Why do you have to advertise? Because it's not a waste of money. It's a form of public health education. I heard more people than enough say to me "I didn't realize hospital beds cost \$5,000 and \$6,000 a year quite aside from capital cost." You should go into some of the other provinces. You should see what his neighbouring province of Saskatchewan does. (Interjection). In October of 1960, he packs a big wallop, "Pay your '61 hospitalization tax." Here's the Country Guide, American News -- what date's this? "There's a better way of solving problems; pay your '61 hospital tax."

MR. PAULLEY: Sure, just at the time the premiums are due not every week of the year.

MR. JOHNSON (GIMLI): November 1958, "Which Twin has paid his tax bill?" "Your '59 hospital tax is due November 30th." (Interjection) "Don't be half covered, with....." Mr. Speaker, I put some very modest statements in the press and we in this province are more humble and realize this problem -----

MR. PAULLEY: And more frequent too because you do it every week.

MR. JOHNSON (GIMLI): We put on this every week for a while to let the public know what they were paying for, and if I'm paying six bucks a month for a hospitalization premium I expect the Minister to be honest to us to the extent of letting me know something of what's going on up at the (Interjection. Hear! Hear!) And I put the responsibility right on my own neck, Mr. Speaker, by putting my name to the bottom of it. I don't see that here.

MR. PAULLEY: You wouldn't because it's no political propaganda there.

MR. JOHNSON: Mr. Speaker, my honourable friend knows me better than to say that I'm playing politics with this great big service that the government is rendering through this hospital services plan. He doesn't mean that. I'm sure of that.

Now we come to the sub-amendment, Mr. Speaker. Of course before that I should say that in reviewing with the House today the tremendous area of hospitalization and comprehensive

(Mr. Johnson, (Gimli), cont'd.). . . . health care in hospitals throughout the land, I did this, Mr. Speaker, to lay this before the House and also to point out what I think was a courageous move on the part of the government. Our one great concern in this whole area was the low income earner who might find this a hardship and we have explored many means to try and give some measure of relief. However, we want to point out that these are the costs. Now the Leader of the CCF Party has passed a sub-amendment -- has moved a sub-amendment, and what I have said today does have much bearing on this sub-amendment. The statement today reveals the scope and complexity of universal hospitalization in Canada and tells us what we have to face in entering into future national comprehensive plans, for instance in the area of medical care. We have been most cognizant, Mr. Speaker, in this province by introducing what we consider a modest beginning in this area under our medicare plan. This government, unlike any other government in Canada, has as one of its basic philosophies, realized its dual responsibility in the area of health care of any kind. We realized early that we as a government could develop the best comprehensive care plan in the world and if we didn't have doctors in ten years it wouldn't be of much value. And to that end we have in motion at the present time a commission investigating the impact of the introduction of comprehensive care on the teaching of medicine.

I'm not going to deal too much further with the medicare problem. We all know the philosophy behind it; the philosophy is to meet need with our direct responsibilities as a modest beginning. Let's absorb medicare. The answers as to where we were going -- medicare already is teaching us many lessons, many areas that must be explored, and I submit, Mr. Speaker, in dealing with a medical care plan it's far more of an individual type of thing -- you have to individualize far more than you do with a hospital bed -- and this in turn increases complexities that I submit the Leader of the CCF Party is not entirely familiar with, because after all, I'm happy in this sense that we have at the Federal level a Royal Commission established to study the entire area of health care at the present time, to review the health needs of Canada, and this government no doubt will be making its submission in due course. But I do plead that we be given time to iron out some of the most difficult and complex areas that my honourable friend I don't think is too aware of. Such things as laboratory services and needs in other areas, that are necessary in medical practice, the training of personnel, and we have a different problem in Canada than we have in the only country in the world, the U.K. that has compulsory comprehensive national health insurance, in that their plan would not adapt itself too well to ours, as this country -- certainly you can't borrow a general practitioner from a hospital, etc. etc. And I often wonder, and some of my colleagues in the medical profession have often said to me, "Why do governments want to ignore the traditional contribution of our profession?" This I find something too that I'm going to explore further under medicare. It's got to the point where a good fellow can't even do something for nothing any more and I want to look at it very carefully before we go too far.

Well, Mr. Speaker, the one thing that does bother me about this sub-amendment is the impact it may have on my dear friend the Leader of the Opposition, because when I read of those newspaper reports down east and this increase in hospital cost -- the Liberal Party contemplating great things -- lowering taxes and increasing national health insurance, I worried for my honourable friend, the Leader of the Opposition, as I have worried for some time that this might catch on to Stan the Man and Gill the Dill and I'd hate to see them pull the rug undone, and I'm sticking up for my honourable friend the Leader of the Opposition, Sir. Well, Mr. Speaker, on that note I would hope to present this report to the House when we sit on Monday. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question?

MR. WRIGHT: Mr. Speaker, I beg to move, seconded by the Honourable Member for Elmwood that the debate be adjourned.

Mr. Speaker presented the motion and after a voice vote declared the motion carried.

MR. ROBLIN: Mr. Speaker, I beg to move, seconded by the Minister of Industry and Commerce that the House do now adjourn and in doing so, Sir, may I observe that I expect we will reassemble at 2:30 Monday next.

Mr. Speaker presented the motion and following a voice vote declared the motion carried and the House adjourned until 2:30 Monday afternoon.