



**Third Session — Thirty-First Legislature**  
of the  
**Legislative Assembly of Manitoba**  
**DEBATES**  
and  
**PROCEEDINGS**

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# LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 9, 1979

Time: 8:00 p.m.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY — AGRICULTURE

**MR. CHAIRMAN, Mr. Albert Driedger (Emerson):** Committee come to order. I'd like to refer members of the Committee to Page 8, Resolution 8, Item 3—pass — the Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, when we closed debate the other day on the Manitoba Agricultural Credit Corporation I think it was quite an interesting situation. We saw the Member for Lac du Bonnet try to paint the picture for Manitobans, the agricultural community and hhe people in general, how pure and lily-white he had been in the running of the Manitoba Agricultural Credit Corporation, and Mr. Chairman, I think that it should be put on the record . . .

**MR. CHAIRMAN:** The Member for Lac du Bonnet on a point of order.

**MR. SAMUEL USKIW:** Mr. Chairman, we were discussing the Estimates of the Department of Agriculture as I recall our discussion of last week. There was very minute, if any, reference made to any particular program of the government prior to 1977. We were dealing with the question of this Minister's sale of public assets. We were not dealing with the question of the previous government.

**MR. CHAIRMAN:** Order please. I'd like to refer members of the Committee to Resolution 8, Item 3, Manitoba Agricultural Credit Corporation — the Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, on that particular point, I think it's very appropriate that the Member for Lac du Bonnet should be a little concerned because of some of the things that we're about to hear tonight, and I'm sure that it will be to do with the Agricultural Credit Corporation, not only what our plans are for the future but to really take a look at why we have some of the land for sale and where at. And I think if we look at the open-tender system which we have certainly made the land of Manitoba that is held by the Credit Corporation; that is, in fact, surplus to the Corporation, to sale, or for sale, to all Manitobans through the public open-tender system which I've said many times, and I'll continue to say it, it gives the opportunities for all Manitobans to bid on the land that is for sale.

To go along a little further, Mr. Chairman, and that, of course, giving the people an opportunity to bid with the reserve of the Corporation being the cost to the Corporation plus any carrying charges. And, Mr. Chairman, I think that's quite a fair approach to take and certainly one that is acceptable to most open and free-thinking people as in, of course, in the thinking of the individuals who are in opposition to the completely closed shop type of situation in which they prefer to work under, the complete control by the past Minister that, in fact, we are supposed to hand-pick the individuals, whether they suit his ideals or whatever. If he had the right or the option to maneuver to the people whom he wanted that particular land to go to.

And I have one or two examples, Mr. Chairman. I think at this particular point it wouldn't be unfair to mention a particular situation as relates to a Farm Co-op which was set up in something like the mid '70s, and that being in the District of Birtle where we experienced a land purchase by the last government to lease to a co-operative. Well, Mr. Chairman, it's quite a coincidence that the individual who that particular lease arrangement was entered into, was in fact with the, well he was, at that particular time a co-ordinator with the Manitoba Farmers Union — later to go on to become the candidate for the NDP Party in the Riding of Lakeside.

Well, Mr. Chairman, the engineering fo of that program . . . the fact that there never was a lease drawn up with the individual, or the corporation, in fact the real question is was there a corporation? So we are faced, Mr. Chairman, with the situation of October 4, 1977, an application

coming from some individuals in that particular area, wanting to enter into a lease. Well, Mr. Chairman, we carried through with that program. We carried through with those individuals. We showed no favouritism to those individuals, we carried through with the program that was engineered by the last minister. So, Mr. Chairman, I think we have to look at that type of operation that we entered into with the engineering of the then Minister of Agriculture to a point who he wanted to have this particular kind of land.

And we'll carry on, Mr. Chairman, to take a look at the way in which he the other day, Friday, made a great, great noise about the way in which all land purchases had to be cleared by Land Acquisition in his government, that all parcels bought had to have the Land Acquisition pamphlet or approval stapled to it, and all this. Well, Mr. Chairman, it's quite interesting in perusing some of the past documentation within the Manitoba Agriculture Credit Corporation. We find, in fact, there was a variation from the purchase to the land acquisition appraisal of their day. In fact, he misled the Committee, Mr. Chairman, in saying that all land purchases was equal to what the Land Acquisition people had agreed to.

Mr. Chairman, where is the credibility of the questioning of the Member for Lac du Bonnet, saying to the Committee these kinds of things, trying to mislead the people in Manitoba? So, Mr. Chairman, so much for the member and his Land Acquisition approach. I will agree there were some of them, but I'll also agree that there were some that deviated from what he said to this Committee the other day — a difference from the Land Acquisition approval or the Land Acquisition people to in fact the purchase price of that land.

We'll go on, Mr. Chairman, to look at the way in which we sold the land in a public open system, an open tender system — that in fact the big issue was made, the fact that we had sold this particular land, that we had in fact sold it for less than the appraised value. By the way, it was the appraised value of the last administration, and when we get to appraisals I think we should discuss the fact that we have an individual, who works with Manitoba Agriculture Credit Corporation, who is in fact a member of the Land Appraisal Institute of Canada, totally a credible individual, who recommends to the Board, and of course, the Board recommending to the government on the sale procedure. Totally open and above the board.

Further on that, Mr. Chairman, there was some particular concern about the fact that we had sold this land at something of an unfair price. Well again, Mr. Chairman, the big issue was made of the land we sold, but certainly not very much attention to the land that we did not sell. The land we did not sell, Mr. Chairman, and this goes back to his appraisal approach, that in fact, Mr. Chairman, on the six parcels that we did not sell because they did not reach the cost to the corporation, plus all carrying charges, the offer price from the people of Manitoba for that particular property, had a shortfall of some \$76,000.00.

Mr. Chairman, let it be shown on the record that we were responsible. We were responsible to the people of Manitoba, and we didn't sell the property. And Mr. Chairman, here is a man who sits across the way from me and indicates to the people of Manitoba that they were buying land at the proper appraised price, that something like two and three years later, we could not even get the cost to the corporation plus carrying charges? Mr. Chairman, who is he trying to kid? That we have sat with that land, in fact, and it has been a cost to the people of Manitoba. He and his great ideas of our wrong-doings, well, Mr. Chairman, with those kinds of figures on the record, I think we'll carry on to look at some of the other allegations that were made by the Member for Lac du Bonnet.

I would like to get into some of the particular points that were raised, and one that really concerned me, and of course I was quite concerned when I read in the press that in fact one of those parcels of land, one of those parcels of land was near Melita, that they were trying to paint the picture that one of those particular packages of land was in the vicinity of where the Minister lived, and possibly there was some big problem.

That particular parcel of land, Mr. Chairman, was referred to, I don't know by the Member for Lac du Bonnet or however the press got it, but it certainly has to be cleared on the record, that that particular parcel of land was tendered and sold for \$141,000, that that was in the Swan River Valley, Mr. Chairman, some 200 to 300 miles from Melita. So for the members of the press who are — well, Mr. Chairman, I have the floor and I just want to clarify it for the record, for the people of the press, that in fact it is 200 to 300 miles away.

And of course, the very issue of the Swan River valley is a very interesting one, Mr. Chairman, and I think it would be time that we should bring that point to your attention.

**MR. CHAIRMAN:** Order please. For the benefit of the members of the committee, I would like to spend a little bit of time just explaining parts of the rules of the House and of committee. I'd like to read into the record what constitutes a point of order and what constitutes a matter of privilege, and I'd like to do that at this time for the consideration of all members of the

Point of order. Points of order are questions raised with a view of calling attention to any departure from the standing orders or the customary modes of proceeding and debate, or in the conduct of legislative business and may be raised at any time by any member whether he has previously spoken or not. A point of order may be raised with respect to use of unparliamentary expressions, if a point of order consists of putting a question to the member speaking, if it is a mere interruption, or if it is defective for other reasons, the Speaker will sharply rule it out of order. A point of order cannot be raised on a point of order. Our rule 5(1) provides that the Speaker shall preserve order and decorum and enforce the rules and shall decide all questions of orders subject to an appeal to the House.

In explaining a point of order, the Speaker shall state the rule or authority applicable to the case.

Now, I'd like to just take a little bit of time and read into the record a matter of privilege. There are privileges of the House as well as of members individually. Wilful disobedience to orders and rules of parliament in the exercise of its constitutional functions, insults and obstructions during debate are breaches of the privileges of the House. Libels upon members and aspirations upon them in relation to parliament and interference of any kind with their official duties are breaches of the privileges of the members. But a dispute arising between two members as to allegations of facts does not fulfill the conditions of parliamentary privilege.

The Member for Lac du Bonnet.

**MR. DOWNEY:** What is he on, Mr. Chairman?

**MR. CHAIRMAN:** . . . raise a point of order.

**MR. USKIW:** Mr. Chairman, I wanted to ask the Minister, since he indicates a problem with respect to some reference having been made by someone as to the location of the property that he is now discussing, perhaps he would enlighten the committee as to who raised the question, because we certainly didn't, and if it was the media, let him say so, but I don't recall our committee indicating that this particular parcel was in his area. It's stated right on this Order-in-Council that it's a Benito, Manitoba, purchaser, so I don't know where that comes from, and perhaps the Minister would want to clarify it.

**MR. CHAIRMAN:** I would like to rule at this stage of the game that the Member for Lac du Bonnet does not have a point of privilege. A dispute or difference of opinion does not constitute a point of order or a point of privilege. The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I will clear the member's . . .

**MR. CHAIRMAN:** The member is asking a question, does the Minister accept the question?

**MR. DOWNEY:** I will clarify it in my discussion on the subject that I'm speaking about, Mr. Chairman. The point that I'm raising was in the press and I believe I said that, and I will say that it was . . .

**MR. CHAIRMAN:** Order please. The Honourable Minister, would he continue?

**MR. DOWNEY:** Mr. Chairman, if I referred to it as the Member for Lac du Bonnet, then I would say that I will rephrase it and say that it came from the press and I wouldn't totally say that it was from the Member for Lac du Bonnet.

But let me continue, Mr. Chairman, on the point which I'm bringing, and it comes right into the area in which I would like to discuss, that being the credibility of one of the board of directors, and the accusations that were made or left by the Member for Lac du Bonnet that there was some involvement in one of the land deals by one of the board of directors.

Well, for the record, Mr. Chairman, I would have to say I did look into what was brought forward by the member, and one of the board of directors of the Manitoba Agriculture Credit Corporation sold some land to a young farmer and the young farmer went through the normal channels of applying for a loan, and that application was received by the Manitoba Agriculture field staff and went through the normal procedures and of course the member of the board of directors took no part in the decision on that loan.

So Mr. Chairman, I think we again want to get back to who has the credibility and who hasn't, and that again comes back to the Swan River situation which I think — it's part of bringing forward the credibility and I think that's really what we're looking at at this particular point, of one particular

incident that took place back in 1971, when they appointed a new chairman to the Manitoba Agriculture Credit Corporation. Mr. Chairman, at that particular time, there had been a loan approved by a board of directors, the individuals had confirmation from the board, the corporation, that in fact the loan had been accepted and approved, and that the individuals were expecting to carry on with their farm operation. And after the appointment of a new chairman, there was some concern or investigation took place, and after something like one to two months there was a reversal of that decision, Mr. Chairman, a reversal of the decision to sell to a family corporation, family farm in the Swan River Valley and, in fact, the loan was refused, turned down, and the individuals were allowed an appeal but at that appeal procedure the Corporation, the Board of Directors would not allow him to have his Legal Counsel be with him at the hearing. So, Mr. Chairman, there wasn't actually an appeal took place because of that particular situation, but in something like just short of a year later, for the record, Mr. Chairman, that same farm, with money borrowed from the same Corporation, was sold to the son of the Chairman who became involved in the actual decision-making of the refusal of that loan.

Mr. Chairman, the credibility of the individual who sat here Friday and tried to paint the picture for the people of Manitoba of any wrongdoings, any wrongdoings at all by the way the Corporation is operating to date, is totally false. Mr. Chairman, the credibility of what he has said can not be accepted. Mr. Chairman, I think we have to look at what we have seen, and the more I look into the operations of the Manitoba Agricultural Credit Corporation by the past Minister, Mr. Chairman, I'm sure that there's no question that any investigation of any sort into it will clearly clear anybody's minds on who really was in wrong and who was in right.

Mr. Chairman, I think the other point that the member tried to make in the whole picture that he was painting that in fact we had been playing favoritism — mind you, through an open public system, you know, it's pretty hard to understand that when all the people of Manitoba, just not the Minister of the government of the day, have an opportunity to allocate land, to say to an individual whether he can lease a land which would give him the lifetime opportunity to purchase that land at the cost, Mr. Chairman, plus all the carrying charges. Mr. Chairman, I think the member should really take a look at himself and see who really is operating an open and fair system for the people of Manitoba, the sellers and the buyers.

Another point, Mr. Chairman, that was brought up by the Member for Ste. Rose; the fact that there was a parcel of land all ready to be purchased, that in fact the deal didn't go through until after we came into office and all this kind of malarky. Mr. Chairman, the land that was offered to the government for sale at the time that they were in office was sold to the government that is now in office for the same price that the offer was made by MACC, a third time, as it was, in our time. I don't know why he's trying to paint some kind of a picture that we made some kind of a special deal. Mr. Chairman, when we look at the Phil Schwartz deal, who operates a land, a farm, that was given to him to operate without a lease — Crown moneys, Mr. Chairman, without a lease to a Farm Corporation or a Co-operative which was said by the Minister to be a . . . When it really came down to the membership of that Co-operative, Mr. Chairman, there were two people, a Mr. and Mrs. Schwartz, who were, in fact, candidates for the NDP Government. Well, Mr. Chairman, when they start talking about favoritism and playing to their people, Mr. Chairman, I think, Mr. Chairman, there's truly evidence — truly evidence on the record to show how the past Minister handled it.

Here we are, Mr. Chairman, we're in a position where we're offering this land to the people of Manitoba, recovering all the cost to the Corporation, plus the carrying charges and, in fact, I think making a pretty good, responsible, action for all the people.

So I'd like to just conclude, Mr. Chairman, by saying I think the point in which we've reached in our Estimates on Manitoba Agricultural Credit Corporation — they've had somewhat of two days to discuss it — I think the questioning, the allegations that have been made are totally — well, Mr. Chairman, totally false, and I have no question, Mr. Chairman, I have no question at all. If the Member for —(Interjection)— no, Mr. Chairman, if the Member for Lac du Bonnet wants to enter into a further investigation, a further investigation of the total picture of Manitoba Agricultural Credit Corporation since we came into office from when they were in office, Mr. Chairman, I'm quite prepared to enter into it and that will take place, Mr. Chairman, and it will be Mr. MLA from Lac du Bonnet that will be hanging from the nearest tree as far as the people of Manitoba are concerned. Thank you.

**MR. CHAIRMAN:** Before I recognize the Member for Lac du Bonnet, I would like to suggest to members that everybody has an opportunity to speak. If they want to speak, if they will indicate to me I will put their name on the list. Aside from that, if we could have less interruptions, I think we can possibly proceed with the Estimates. The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, I very much enjoyed the comments of the Minister because it brings to mind, reminds me, Mr. Chairman, of certain events dating back some three or four years or more, and the Minister singled out as an example the Birtle Co-op which would for him demonstrate that this Minister somehow played favoritism for the people who are involved in that Co-operative. Well, I want the Minister to know that his research is far from being adequate because, if the Minister had done his research, he would know that the Cabinet returned to the MACC an Order-in-Council refusing to enter into a lease arrangement because the Cabinet thought that the arrangements were too generous, and that's the reason why that arrangement was never entered into — because it was vetoed by Cabinet, that the arrangement was too generous to the people involved and that the Crown wanted more from that asset. That was the basis of the rejection of the application. The Minister here tries to tell us that that is favoritism. Mr. Chairman, he has proven my case for me. He has proven my case for me. We sent that file back to the MACC without approving it because we thought it was too generous. We wanted more revenue than what was being proposed by the Board of Directors of the MACC, and that was a rejected submission by our Cabinet.

So, Mr. Chairman, —(Interjection)— yes, there was a period of time where there was no lease because Cabinet refused, refused to enter into a lease agreement —(Interjection)— Pardon me? Well, Mr. Chairman, we did continue the negotiations with the view —(Interjection)— not we — the Board of Directors was told to go back and renegotiate because that proposal was not acceptable to the Cabinet.

**MR. DOWNEY:** When did that take place?

**MR. USKIW:** So Mr. Chairman, when the Minister tries to tell this Committee that the Minister before him somehow played favoritism for a certain individual, I want him to know that I got no bouquets on that one from anyone. I want him to know that.

Now, Mr. Chairman, the Minister points out that we have made an issue, an issue with respect to lands that are being sold but we are not making an issue with respect to lands that are not being sold. And you know, he has an example where there is a parcel of land which he believes was over-priced when it was purchased, and he's probably right — I don't know — he's probably right, I wouldn't question that, Mr. Chairman. But that is possible.

Our accusation, Mr. Chairman, is, and this Minister confirmed it just a moment ago, Mr. Chairman, when he said that the policy was to set a reserve price based on the cost to the corporation, plus the original purchase price. Well, Mr. Chairman, that has nothing to do with the current market value of assets. What has that to do with the current market value of those lands? I'm sure that there isn't anyone in this government, in this building, that would think that it was normal practice, Mr. Chairman, to put properties onto the market without knowing their value, and without trying to receive for them the most value, for the benefit of the people of this province. —(Interjection)— Yes. No, that is, yes, the Member for Wolseley would like to tell us that that's what a public tender is. What I would like to tell the Member for Wolseley is that fortunately, where there was more than one bid, yes, the final price was far in excess of the reserve bid. But the fact that the Minister put on risk to the people of Manitoba, all of these properties with reserve bids, or reserve prices that were substantially below the market value, tells us, (a) they either don't know what they're doing; or (b) they are giving away public assets to their friends, Mr. Chairman, or for some reason they are giving away public assets at a massive discount, or attempting to.

Now, Mr. Chairman, we have had before us, last week, and we have before us this week, examples where there was only one tender, and so to satisfy the Member for Wolseley, I would ask him whether he would be happy with a reserve price based on original cost of the asset, which may have been four or five years ago, plus the cost to the corporation, I would like to ask him, whether under those circumstances, that a single bid just marginally above that figure doesn't appear to him to be wrong, because it seems to me, the minimum that should have been done where there was a single bid, is that the property should have been re-advertised until there was more than one bid, given the fact that the corporation was underestimating or, by policy, deciding not to recover the full market value of these assets.

And that's what's irresponsible, Mr. Chairman. That is what is irresponsible, and we can go through them all again. But these are the Minister's figures, this is a copy of an Order-in-Council that I'm reading from, Mr. Chairman —(Interjection)— yes, Mr. Chairman. That is what we were reading from on Friday and on Thursday, and the Minister cannot hide and duck from that, Mr. Chairman. The figures are his, they are not ours. The explanations are his, they are not ours. We are not making accusations, we are merely reading into the record, Mr. Chairman, that properties were not appraised, the Minister told us that he would take that question as notice and come back with a report. It's interesting to know that in his opening remarks tonight, Mr. Chairman, that the Minister didn't say, "Yes, I have taken these questions as notice, I now come back and report to

this committee, yes, we did do appraisals, yes we had this confirmed with the Land Value Appraisal Commission, or the Land Acquisition Branch or whoever, yes, I discussed the program of disposition of public assets with the provincial auditor" — all of those questions were asked but he hasn't offered an answer on any one of them so far, Mr. Chairman, this evening. Well, the Minister has spoken and chose to dodge those issues, Mr. Chairman, and chose to try to draw the operations of the previous government into this committee discussion, hoping somehow that that would reflect on the opposition and take him off the hook.

Well, Mr. Chairman, he didn't succeed in either. He didn't succeed in taking himself off the hook, and he didn't succeed, Mr. Chairman, in proving to this committee that the opposition, which was the government of this province had played favoritism with respect to that particular person that he used in his example.

Now, Mr. Chairman, with respect to the other point, and I'm very pleased — the Minister didn't know that I was baiting him on the issue last week, I appreciate that. But I'm pleased that he was able to respond. He now tells us, yes, it's true, a board member, whom he appointed, was involved in a situation where he sold property to a farmer who had a loan approved by the corporation on which he sits as a member of the Board of Directors. Yes.\$

Now, Mr. Chairman, if the Minister wants to check Hansard, he will not find anywhere where I said to him that there was anything improper about that. And the object of my raising it, Mr. Chairman, has to do with the fact that there was a lot of hell raised by his colleagues when that occurred, Mr. Chairman. . .

**MR. DOWNEY:** And rightfully so.

**MR. USKIW:** . . . when that occurred, Mr. Chairman, three or four years ago.

**MR. DOWNEY:** Rightfully so. You admit it.

**MR. USKIW:** Yes. Now, Mr. Chairman, you can't have it both ways. The Chairman of the Board at that time abstained from participating in that decision, the Minister tells me that this board member abstained from making that decision, on that score they both acted the same. Mr. Chairman, the point of my raising the question was to draw my friends opposite out so that they would defend that position. Because they told me four or five years ago that that position could not be defended, Mr. Chairman. —(Interjection)— Yes, Mr. Chairman, they said that that was a position that I couldn't defend.

**MR. CHAIRMAN:** Order please. The Honourable Minister on a point of order.

**MR. DOWNEY:** Mr. Chairman, for the matter of the record, when we talk of conflict of interest, and that's basically what we're talking about, but on November 5, 1971, there had been a letter of approval of a loan from the Board of Manitoba Agricultural Credit going out from the Manager to the individuals for the approval, confirming the approval of the loan, Mr. Chairman, and something like on the November 19th, in that particular time, there was a directive of the new board chairman to reverse that decision.

**MR. USKIW:** What is the point of order, Mr. Chairman. We have heard your admonishment a moment ago, Mr. Chairman, what is the point of order that the Minister has.

**MR. DOWNEY:** Set the record straight.

**MR. USKIW:** What is the point of order? Would you rule on that point of order, Mr. Chairman?

**MR. CHAIRMAN:** The Honourable Minister does not have a point of order. The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, with respect, you were late in making a ruling.

Now, Mr. Chairman, I would like to ask the Minister of Agriculture again whether or not it is correct that a parcel of land was purchased by the brother of the Minister of Mines and Resources, and that that was a single bid that was accepted.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, yes, I will say that that was done on an open public bid. There were offers, the land was advertised, it was advertised widely in the newspapers, advertised in credit corporation offices, but I think maybe it is time that I should tell the Member for Lac du Bonnet that I did, in fact, take a look at the block of in-house appraisals that are done, and the Member for Lac du Bonnet brought it to my attention, that in fact the land that was sold by the Manitoba Agricultural Credit Corporation, on an open public basis, was in excess, the sale price on open public tender was in excess of the in-house appraised value by between \$17,000 and \$18,000, Mr. Chairman, making accusations we acted irresponsibly.

Mr. Chairman, that land sold for something like a 43-½ percent increase for value over the total cost to the Corporation. Mr. Chairman, we have acted responsible to the people of Manitoba and I am telling you that it's in the record.

**MR. USKIW:** Mr. Chairman, the Minister thinks that he can shout a wee bit and that will of course suffice for his lack of credibility. Mr. Chairman, people that have a problem with their arguments sometimes resort to shouting and I understand that. That's a psychological approach that many people use, Mr. Chairman. But the fact is that the Orders-in-Council that we have before us, or the copies, indicate to us that in almost every case, if not every case, that the reserve price was not based on the market value, and for those members of the committee that are here now, Mr. Chairman, for those members that are here now, who were not here last week, I would like to remind them that there has to be something wrong with a system of public asset disposal which results in a situation where a reserve price is \$105,000, but the market, Mr. Chairman, was \$141,000.00. Mr. Chairman, the Minister admitted and admitted tonight again, that they didn't do an appraisal of their asset to find out what their worth actually is. Yes he said that in his opening statement. And if that, Mr. Chairman, isn't irresponsible government I don't know what is. Mr. Chairman, who in this room . . .

**MR. CHAIRMAN:** Order please. The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I did say there was an in-house appraisal on all property.

**MR. CHAIRMAN:** Might I caution the members of the Committee that a difference of opinion does not constitute a point of order or a point of privilege.

**MR. DOWNEY:** Mr. Chairman, on a point of order.

**MR. CHAIRMAN:** The Honourable Minister on a point of order.

**MR. DOWNEY:** Well, Mr. Chairman, he's going back through the same kind of thing we've heard for — how many hours and hours and hours, and Mr. Chairman, if he really wants to get into a total review of the whole operations of Manitoba Agriculture Credit Corporation, I'm more than happy to have a complete investigation into the total operations of it. And, Mr. Chairman, it will be the member on the opposite side that will be the one who will be not wanting to be a part of it, I'm telling you that.

**MR. CHAIRMAN:** Order please. Could I caution all members to consider what constitutes a point of order or point of privilege. I would also like to caution all members of the committee upon being repetitious. The Member for Lac du Bonnet.

**MR. USKIW:** Well, Mr. Chairman, the Minister has perhaps had a change of mind, I don't know. He resisted very much last week, very much the idea that we should even consider the matters of the Credit Corporation coming before a committee in the Legislature for review as we do with the MDC.

**MR. DOWNEY:** Oh, that's totally false, Mr. Chairman.

**MR. USKIW:** Yes, Mr. Chairman.

**MR. DOWNEY:** What's he trying to say? I'm not going to sit here and listen to that garbage, let me tell you that.

**MR. CHAIRMAN:** Order please.

**MR. DOWNEY:** Well if he can't keep his questions right to the point, let me tell you . . .

**MR. CHAIRMAN:** Order please. Could I ask again, ask members that we're dealing with item 3 and to contain it within that context. The Member for Lac du Bonnet.

**MR. USKIW:** Mr. Chairman, is the hair ruling that I am out of context? C

**MR. CHAIRMAN:** The Member for Lac du Bonnet.

**MR. USKIW:** Thank you. Mr. Chairman . . . you will be soon. Mr. Chairman, the Minister did not agree last week that we bring all of the business of the corporation before a committee of the Assembly. And now he is telling me that he will threaten me, that we will look at all of them. What did I ask for last week, Mr. Chairman? To avoid this kind of nonsense. Yes, to avoid this kind of nonsense, Mr. Chairman. To bring all the files so that there would be public scrutiny on an on-going basis. So that no government, Mr. Chairman, would get away with rewarding their friends, Mr. Chairman, whoever they are, from time to time, with public assets, Mr. Chairman, at a discount price. At least if the Minister was to tell the people of Manitoba that he was going to have a fire sale and advertise it well . . .

**MR. DOWNEY:** It was.

**MR. USKIW:** All of us may have had an opportunity, Mr. Chairman. He didn't say it was a fire sale, Mr. Chairman. He did not say that. He did not say to the people of Manitoba that all we are interested in is getting back the cost to the corporation and all of these properties. No. That wasn't in his ad. And so we have a situation where a number of people who submitted tenders and who were the only bidders received these parcels of land based on original costs, which date back three or four years, five years. Nothing to do with land value escalation period. Yes. It has no relation in the last three or four years to today's market. These people were fortunate, Mr. Chairman, in acquiring these assets at fire sale prices, Mr. Chairman. And that is where the Minister is not using his office responsibly with respect to the public interests of Manitoba.

So Mr. Chairman, yes, if the Minister has had a change of mind over the weekend, if he now thinks that it might be wise to bring back to this committee the total operation of that board and have the Chairman of the Board sit before this committee, or a special committee of the Assembly, yes, then I welcome the change, Mr. Chairman. I have no problem with that. We are dealing with public funds. We are dealing with public assets, and the public has a right to know how their government is administering their affairs. Mr. Chairman, that would be a step in the right direction. That would be a step in the right direction. We have done it with the MDC. We can do it with the MACC. So Mr. Chairman, we are not satisfied that the Minister has disposed of these several parcels of land in a way that would be in the public interest, in a way that would recover for the people of Manitoba a maximum amount of value. Yes, we are satisfied that that did not occur.

Mr. Chairman, we don't know how much we lost, because the Minister doesn't know, doesn't presume to know the value of the asset, Mr. Chairman. Mr. Chairman, this Minister doesn't presume to know the value of the asset; if he knows the value of the asset, he has chosen not to ask the price and has decided to accept a reduced value on the assets that are now being disposed of. So Mr. Chairman, we have a problem, but fortunately for the people of Manitoba, Mr. Chairman, that this was caught with the first few farms or properties being sold. There are many to go yet, many to go yet, and I don't know how many, but we will be watching each one of these, Mr. Chairman. We will be making notes on each transaction, because we know that this government, Mr. Chairman, has obligations to meet yet. We know, Mr. Chairman, as I stated last week, that during the election campaign that their candidates were making promises to certain people in certain rural constituencies that these lands would become available to them, Mr. Chairman. Yes, we are talking, Mr. Chairman, we are talking about a payback situation, Mr. Chairman. Yes. We are talking about payback, because we know, we know that the Minister has some friends that have yet to earn their reward. Yes. We know that, because that's what this is all about. It is nothing short of that, Mr. Chairman. This is nothing short of that, Mr. Chairman.

**MR. CHAIRMAN:** 3—pass. The Member for Gladstone.

**MR. FERGUSON:** Thank you, Mr. Chairman. Well, it seems as though this is about the tenth repetition we've had of this particular phase of the Estimates, and I think the minister did indicate to the community that the people of Manitoba did accrue a profit of 43 percent on the sale of

this land. I would like to point out to —(Interjection)— above and beyond cost, yes. I'd like to ask the Honourable Member for Lac du Bonnet how badly does he want to gouge the young farmers of the province of Manitoba. — (Interjection)— Well, the 43 percent is a big enough markup and just to go on a little further, I'm not quite done on that other thing, but we'll go back to the so-called Hofford deal and there's quite a distinction there also. In the particular deal that the Member for Lac du Bonnet brought up; the member of the Board did absentee himself from the committee.

In the other particular deal, the chairman also absented himself from the committee, but there is quite a difference between being the chairman of the committee and staying the proceedings on a loan, then turning around within a given period of time and selling that given parcel to a son and borrowing the money through the corporation to do it. —(Interjection)— No, the son borrowed the money. —(Interjection)— Yes, all right. —(Interjection)— Well, I'll change my wording just a trifle, Mr. Chairman, to indicate that the money did come from the corporation so that the son of the chairman could buy the land, and it was stopped immediately that chairman was appointed to be chairman. And you fellows talk about pork barrelling, my goodness, you better take a real hard look at that one.

**MR. CHAIRMAN:** The Member for St. George. Order please. The Member for St. George.

**MR. BILLIE URUSKI:** Thank you, Mr. Chairman. The Minister of Agriculture in his remarks on Friday indicated that he was going to get us some information with respect to the appraisals and the like, but we have yet to hear from him on the specifics of the information that he was to bring forward. He indicated that there was in-house appraisals and he told us today that those appraisals were somewhat \$17 or \$18,000 less than the sale price of the land, if I got him correctly, than the current market value of the land.

Mr. Chairman, I'd like to know from the minister who did those appraisals, has he got those appraisals on the specifics that were raised, were dealt with in the course of the committee meetings, specifically on the eight parcels of land. I'd like him to bring that forward because I am interested in finding out what the value of the land was, because Mr. Chairman, when the minister speaks of credibility, last week he made a flip flop in his remarks to this committee — First of all, he indicated that they were selling the land at the cost, it was government policy. First of all, he said that they were selling the land at what the province had paid for it, plus the cost of the corporation or the appraised value, whichever was higher. Then he came back to this committee and he indicated, "No, that wasn't the policy, it was the policy of the government to sell the land at the cost that they had paid for it and the cost to the corporation and nothing else." It had nothing to do with the appraised value. Well, Mr. Chairman, I think it's the minister's credi that's on billy else's. the line, not anyone It is he who should come to this committee and tell us what those appraisals were with respect to that land, how they were arrived at and tell us whether or not that land current market value — how it was approved and how those appraisals were done.

and Mr. Chairman, last week the minister it was as late as Friday — where he indicated that he is prepared to bring before this committee and review all the actions and all the files of the Manitoba Agricultural Credit Corporation. Friday I recall, when I made the suggestion that all the files be brought to the committee annually, that there should be quarterly reports to this committee, we didn't want to fall into a scenario of pre 1969, the same way as we had with the Manitoba Development Fund, where we were enshrouded in secrecy about the dealings and the loans of public moneys to individuals in this province. If we can do it through the MDF, through the business community, and even our banker friend from Minnedosa won't object to that because they have continued to publish those reports; surely we can do that with the Manitoba Agricultural Credit Corporation and indicate to the public what loans we are making to the farmers of this province. We have the same situation, we have now a duplicate lending situation; we have the Farm Credit Corporation, the federal agency, which is also loaning money for farm operations and we have a duplicate service in this province.

Now the minister talks about being open and candid to this committee, I hope that he will come out clearly, because today he is saying something different than he said on Friday. Today he says, "if you fellows don't keep quiet, I will bring all those files forward in the past and you will have egg on your faces."

I challenge the minister, Mr. Chairman, to make his position clear and bring all those files and have the Standing Committee in Agriculture or some standing committee of the Legislature review every loan in a similar manner as we are doing with the Manitoba Development Corporation. Even his colleague, the Minister of Mines whose credibility and his involvement in this Cabinet is in question on the basis of the sale that that Board and his Cabinet has made to his brother, where there was only one tender placed on that one parcel of land, even that, you know, is very questionable

in terms of how the government handled that whole operation. I think he would be interested in bringing all those files over to really clear the air.

So I want the minister to tell us where does he stand? Is he now reversing his position of Friday, where he said, "Well, he'll consider it and he'll think about it." Is he now saying that he's prepared to do it, let's have a statement of policy on behalf of the minister and the government, saying that yes, we will bring all those files forward, we'll bring them to committee and if he's saying, "Well, you fellows didn't do it." Mr. Chairman, I believe that we should have done it. I believe that we should have brought all the files forward if we did not know it and there's certainly ample evidence and information on the dealings that have gone on in these last few days that would indicate that all the files should be brought forward.

**MR. URUSKI:** Mr. Chairman, the minister indicated that he has not opposed to a member of the Board of Directors being party to a loan which he was involved in, on the Board of Directors, provided he did not take active part in the loaning process, in the vote that took place on the loan.

Well, Mr. Chairman, I am pleased that he could see the type of conflict of interest that could result had the member taken part in it, but he should, and I'm glad he raised it, he should recall to his colleagues and to those members; it's unfortunate that the Member for Morris, the Minister of Consumer Affairs isn't here taking part in this debate on the issue that he raised when he was the Agricultural critic for the Conservative Party, about the lending and the scenario behind the lending of funds to a member or family member of a Board of Directors. We have the same situation, Mr. Chairman, where we have today the brother of a minister, where the tender — there was only one tender, one bid on a tender, made the sole bid and the tender was awarded to him. We don't know whether the appraisal was taken, we had a reversal of government policy, vis-a-vis the operations of selling the land. So we don't know what the situation is.

The minister thinks he's explained his situation away last week, he hasn't even started, Mr. Chairman. I think the minister certainly has to just be more candid than he has rather than trying to bluster the members of this committee and threaten us by saying: "Look, I will reveal all sorts of things". Let's get the show on the road, Mr. Chairman, and let the Minister lay the facts on the table and provide all the information. I am sure even the Member for Wolseley would like to hear all the facts behind all the files of tendering, and loaning, and the like.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Well, Mr. Chairman, I think the Member for St. George has given his confession. The fact that he would have felt a lot more comfortable if some of these things had have been brought forward when he was in government, that in fact he wouldn't have to worry about really what had taken place if it would have all been out and aired at this particular time. Well, Mr. Chairman, the points that he brought up, I've laid on the table; the fact that there were in-House appraisals done on the properties that were sold and in fact our government, Mr. Chairman, take the recommendation from the Board of Directors, and the Board of Directors of course have their administration, and their people who present their administrative procedures to them. And again, I say that in an in-House appraisal, they made their decision on; the decision that government made their sale policy known and which members opposite don't really understand, and that is that all the people of Manitoba had an opportunity to bid on the properties that were for sale, something that they really can't understand. How can you just give the general public an opportunity to buy land whether you're a small farmer or a large farmer or affiliated with anybody or not affiliated? In fact, they were publicly tendered and offered for sale. The price that was received exceeded the cost of the corporation plus all the interest charges and carrying charges, plus it exceeded the total in-House appraised value of those properties.

So, Mr. Chairman, I've laid it on the table. But, Mr. Chairman, I go back to a point which I made earlier. The Member for Lac du Bonnet sat here last Friday, telling the people of Manitoba that every Order-in-Council passed when they purchased land, had the sanction of the Land Acquisition Branch and, Mr. Chairman, there was a deviation from that. It's on the records; it's in the files, that they paid more money in certain cases for land than what he had said the Land Acquisition Branch had really approved. I think that's a point that should be brought up. He sat here, Mr. Chairman, and said that on Friday. Where is his credibility? Where is his credibility, Mr. Chairman? He sat here, Mr. Chairman, —(Interjection)— I'll give it to you, don't worry; I'll give it to you, Mr. Chairman. The people's money of Manitoba were used; the money was used by the then Government of the Day, to purchase land, Mr. Chairman, at their discretion. Not answerable to anybody.

And who, Mr. Chairman, had the use of that public property; who had the use? The individual that the Minister of the Day wanted to have it. No open public tender for leasing; none of that,

Mr. Chairman, it was in fact totally directed by the Government of the day. And here we are, Mr. Chairman, debating an open public tender system, taking a position that we are recovering the cost to the Province of Manitoba, plus the carrying charges, and they get hung up about it, Mr. Chairman? when I take a look at the investigation that they would like to see take place, Mr. Chairman, I think that the people of Manitoba would probably welcome it, and I will put our record beside theirs any day, particularly when you look at the Max Hofford directive to refuse a loan of people who knew the loan was confirmed by a Board of Directors.

They appointed — Mr. Chairman, let me just go through that — they appointed a new Board of Directors, a new Chairman to the Board of Directors on November 3rd, making it retroactive to November 1st, and, Mr. Chairman, the directive from that new Chairman was to refuse a loan to those individuals, you know, to refuse it; to change their mind. Why, Mr. Chairman? Well, it's pretty much in the record and I have it right here. Do you know why they changed the Board of Directors; the new Chairman changed the mind of that Board? Because, Mr. Chairman, he wanted it for his son, because the Credit Corporation lent the money to that man's son in September of that year.

**MR. CHAIRMAN:** The Honourable Member for St. George.

The Honourable Member for Lac du Bonnet on a point of order.

**MR. USKI:** I don't recall the Minister having had his name on the list before mine. To the Member for St. George, after the Member for Gladstone, after which as I understood it, I would speak next and you yielded the floor to the Minister. If I am not correct, you can correct me but that's my understanding.

**MR. CHAIRMAN:** For the clarification of the members of the committee, there is a prerogative of the Chairman to call whom he wishes. I have a list here and any time when a member speaks and the Minister wants to reply to it, I have honoured the Minister as has been done in the past, and the Member for St. George has the floor.

**MR. URUSKI:** Thank you. Mr. Chairman, could the Minister explain to us how the appointment took place in November of some year, and the following — or is it before the loan was made in September — was there a time frame of some ten or eleven months after the appointment of the Board was made, or what was the time frame that that loan was made that he is talking about? Could he explain that to us?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Well, Mr. Chairman, what I had indicated was, that of November 3rd of 1971, there was an appointment of a new Board Chairman, a Mr. Hofford, that was on November 3rd retroactive to November 1st and there was a rescinding of the Board's approval of a loan on approximately the 19th of November. Mr. Chairman, the final refusal after the individual tried to have a hearing on February 10th and was disallowed his legal representative to accompany him at that hearing — that was February 10th, when he tried to have a hearing, — and in the following months that followed, the final decision of the Board was made on March 17th to uphold the earlier decision not to approve the loan or to support the turning down of the loan. And then the following September 15th of 1972, the Board approved the loan to a Trevor Hofford to buy the same property.

I will say that the Chairman did excuse himself from that particular meeting but, Mr. Chairman, what have we seen? We've seen people that have been appointed, appointed by the then Minister to a responsible position, to do what, Mr. Chairman? To benefit he, or one of his? And, Mr. Chairman, it's totally unacceptable to the people of Manitoba.

**MR. URUSKI:** Mr. Chairman, I'm glad the Minister is going into it. I want to know, since the Minister is so acquainted with that file, could he give us the reasons, on files, why the initial application was rescinded?

**MR. DOWNEY:** Well, Mr. Chairman. . .

**MR. URUSKI:** Since he has all the details on file, could he indicate what the assets were of the applicants and what the loan equity was; how much collateral there was in the amount of money that there was outstanding? Since he is willing to bring the files out, let's get all the facts on the table.

**MR. DOWNEY:** It's interesting, Mr. Chairman, that I don't think that we have to enter into that detailed a debate because, Mr. Chairman, it's the principle; it's the principle of the whole program, Mr. Chairman, that there were —(Interjection) — Well, Mr. Chairman, there was. . .

**MR. CHAIRMAN:** Order please. Could I suggest to the members of the committee that we have one speaker at a time and refrain from interruptions. The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I think the committee who are sitting here at say . . . I could go through the total detail of it. I think that I have given the details of really what had happened. The management and Board of Directors of a corporation, which, Mr. Chairman, they had control over, approved the loan on the information they had. Mr. Chairman, I don't think it's important to get into the detail because they went into that detail. They were appointed and hired to do that particular job, Mr. Chairman, and, Mr. Chairman, they made their decision. They made their decision in good faith and the change took place, Mr. Chairman, after they appointed a new chairman and directed that kind of a change to take place.

**MR. URUSKI:** Mr. Chairman, is the Minister now suggesting that it is possible that the decisions of the new Board did not coincide with the decisions of the initial Board based on the equity of the loan? If the Minister knows all the facts, let's get all the facts on the table. I wasn't party to that; I don't know. He has made a charge that there was patronage insofar as the dealings that were made by the former Chairman of the Board that the loan was stopped for only one reason, and that's the insinuation; only for one reason so think that land could be held for his son. Now, let's get all the facts on the table if there are. How much was the original loan application and what were all the funds behind it? What were the particulars of the loan? How much collateral; how much equity was there insofar as the loan application? What are we talking about? Who was loaning the money; how much was behind that loan?

**MR. DOWNEY:** Well, Mr. Chairman, I did not indicate that the reason for that rescinding of that loan was for that particular purpose. But I am saying, Mr. Chairman, that is —(Interjection)— Well, Mr. Chairman, that's what happened; that's what happened. I just laid the facts before the committee. That is in fact what happened. Well, Mr. Chairman, you as a committee can do it for yourselves, you know. When a responsible Board of Directors, who they had appointed, the management who they had hired, Mr. Chairman, they as the then government, as far as I am concerned, had made the decision to lend the money and to the facts, the details, and a change came about because of a new chairman becoming involved.

And, Mr. Chairman, the facts are there and again, I think we've shown the irresponsibility of the individuals who are sitting across from us.

**MR. URUSKI:** Well, Mr. Chairman, I am going to ask the Minister again. We talked about open government and openness. The Minister even changed his mind and indicated that he certainly was prepared to bring the files forward. Now, he made a charge, an insinuation, and the Member for Gladstone was one that repeated it. The Member for Pembina was one that repeated it. The insinuation was that the loan was stopped by the new Chairman, to hold it up for his son. That's what he said in his comments here. Now, Mr. Chairman, I was not the Minister of Agriculture of the Day. I have no access . . . maybe there is in Hansard. The Minister is so conversant with that file. He says he has all the facts and he is prepared to lay them on the table. Well, let's lay them on the table. I want to know who the loaners were; how much money they wanted to borrow, and what collateral did they have to stand up behind the money that they wanted to borrow. Well, how much equity did they have? Did they have extra loans elsewhere? What was their financial backing and financial standing when they were applying for that loan?

**MR. DOWNEY:** It was your Board of Directors that approved it; your management that approved it in the first place. Why would you change your position? —(Interjection)— Well, Mr. Chairman, lay it on the table. He was the Minister. Mr. Chairman, I'll lay it on the table, but I am sure the committee have a total job to do of going through the total Estimates. Well, Mr. Chairman, we can make all that information, read right through it, and I am sure that I am quite prepared to do that.

**MR. URUSKI:** Thank you, Mr. Chairman. I would like the Minister, since he has told us that he has the information, to read it for us; give us all the facts.

**MR. DOWNEY:** Well, Mr. Chairman, I don't have the details of the particular or the loan, and I

don't think that it's relevant at this particular time because there was a Board decision made perusing, going through all those details —(Interjection)—

**MR. CHAIRMAN:** The Honourable Member for St. George.

**MR. URUSKI:** Thank you, Mr. Chairman. —(Interjection)—

**MR. CHAIRMAN:** Order please. The Member for St. George.

**MR. URUSKI:** Thank you, Mr. Chairman. You know, the Minister says he had all the information; now he doesn't have the information; which is it? Is he prepared? He's prepared to make charges, but he's not prepared to back them up. You talk about credibility and embarrassment. I want to know.

I wasn't the Minister of Agriculture of the Day. My colleagues weren't the Ministers of Agriculture of the Day. They were not on the Board of Directors; I was not on the Board of Directors. I would like to have the present Chairman of the Board — if the Minister hasn't got the information — let him bring the Chairman of the Manitoba Agricultural Credit Corporation before this committee and bring the files so we can question him on this and whatever loans and whatever information there is on that file. Let's get the chairman, if you don't have the information, bring somebody who has the information to this committee. Let's stop the committee, give them time, we'll give you time, bring the Chairman of the Manitoba Agricultural Credit Corporation before this committee and give us the information and substantiate the charges you have made. I'm prepared to accept them. If there is an embarrassment to my former colleague, that's his tough luck. Let him stand there and defend his position. I want to know the facts behind the file. Let's have that information.

**MR. DOWNEY:** Mr. Chairman, here again you get the situation of a group people sitting there; a little snicker from the Member for Lac du Bonnet thinking that he's the individual who ran everything so smoothly. I, Mr. Chairman, am totally convinced at this particular time that the proceedings that took place, the Board of Directors, who they had appointed, if they question the . . . well, maybe Mr. Chairman, if they want to proceed on that particular route, what about all the loans and all the business dealings of their Manitoba Agricultural Credit Corporations of that particular time? Well, Mr. Chairman, you know, if they're questioning their decisions, the decisions that were made at that time, then I think there should be a total inquiry into it, because Mr. Chairman, the evidence we have before us is the way in which one particular loan was handled — as far as the details, the specifics of that loan, that was handled by their Board of Directors and I don't think there's any relevance to bring that before the committee and I'm not prepared to do so. I do say that I would be quite prepared to have a complete investigation into it, if that is the direction in which we have to go.

**MR. URUSKI:** Mr. Chairman, I respectfully ask you again, Mr. Chairman, to ask the Minister of Agriculture, even the Member for Pembina has indicated, he told me, he said, "Table it." I would hope that the minister is prepared to table that file and if he's prepared to table that one, let's table some more files, let's table all the files, let's table the Bowle's file, let's table the Ransom file on the background and the appraisals dealing with the land that they sold by tender, by free and open tender. Let's table the Ransom file, let's table the Hofford file, let's table the Bowle's file, the background behind that. Let's get all the files on the table and if you don't have the information, bring your chairman of the board to this committee and let him give us the information. You're prepared to do an investigation, you can do better than that. You can bring the chairman or bring the information and table that information before all members of this committee, and then you don't have to say that it was a board of directors' decision and really they did their job, that was their board of directors. Bring the file here, to hell with the board of directors, make the file public and then everybody will know. Let's have that, you say you are candid, be as candid as that and put the information on the table.

**MR. DOWNEY:** I am quite prepared to do so.

**MR. URUSKI:** Well do it.

**MR. USKIW:** Well, Mr. Chairman, I would like to ask the minister whether it isn't a fact that the loan in question, the file that he is dealing with, was really a request for a loan of some \$390,000, most of which was going for debt consolidation? —(Interjection)— Yes, most of it was going for

debt consolidation, Mr. Chairman, with respect to the subsequent loan which I'm not sure if the minister is questioning or not, because he's now backtracking. The involvement there was \$105,000 and it was not debt consolidation, Mr. Chairman. And the minister should know that our policy was not to use most of our capital supply, to bail out the banks and all of the lending institutions and the feed companies and everybody else that people owed money to. And that there were a number of large applications for loans that were turned down because they were largely asked for, for the purpose of debt consolidation. —(Interjection)— Yes, the banks wanted the money, Mr. Chairman, and we took the position that the bank should sweat it out, rather than the taxpayers of the province of Manitoba sweating it out over loans that were questionable as to their viability, Mr. Chairman. —(Interjection)—

And I know the Member for Minnedosa doesn't like those comments because he likes the idea, Mr. Chairman, that the government should guarantee loans to the banks, he likes that, Mr. Chairman. That is true, we had an issue at that time. We were not prepared to give blanket guarantees to the banks of this province, because they got into an impossible financial position with a number of farmers at a time when the economy dipped in agriculture, at a time when farmers had arrears for three or four years, yes, and the banks and the feed companies and everybody else asked their farmers that they go to their government and consolidate their debts, because they were not prepared to carry them any further. Yes, that's what we were dealing with, Mr. Chairman, and the chairman of our board, who interfered in this particular loan did the right thing from the point of view of the policy of our government, Mr. Chairman. He did the right thing because it was not the intent of our government to use up most of our allocation of funds to MACC for debt consolidation. It would have used up too large a proportion of our capital supply, Mr. Chairman, and we would have not had a loans program for the legitimate purposes of the operations of that corporation, Mr. Chairman.

So, I want the minister to know that that is quite a difference between the way in which we would operate it and the way in which they would operate. They think it's quite in order from time to time to come to the rescue of the banks and large corporations whenever they get into trouble, that's fine. We just don't think that the taxpayers of this province should be used in that way. And that tells you the story of that particular file, Mr. Chairman.

**A MEMBER:** Let him table it.

**MR. USKIW:** But, Mr. Chairman, if the minister wishes to table it, we'll be happy to receive it.

**MR. CHAIRMAN:** To the members of the committee, before I recognize the next speaker, I'm wondering if it would be a suggestion on my part really, whether we could get back to Item (3). I've allowed a relatively wide latitude in discussing the past history of MACC. It's just a suggestion if the . . . The Member for Pembina.

**MR. ORCHARD:** Thank you, Mr. Chairman. Mr. Chairman, I have some questions for the minister, in particular these parcels of land that were sold under Order-in-Council, what parcels of land were these? Were these former land-lease-lands?

**MR. DOWNEY:** I think the majority of them were, Mr. Chairman. Yes.

**MR. ORCHARD:** Why is it, if they were land-lease-lands, Mr. Chairman, are they now being sold?

**MR. DOWNEY:** Mr. Chairman, they are lands that the tenants have moved off the farm or given up their leases.

**MR. ORCHARD:** I see. So in all these cases then the lessee has given up the lease voluntarily, left farming or whatever. Mr. Chairman, could the minister indicate what the terms of the lease-back would have been on some of these parcels of land?

**MR. DOWNEY:** Mr. Chairman, under the land-lease program, it was a lifetime lease to the tenants.

**MR. ORCHARD:** And what was the cost of the lease-back to the tenant?

**MR. DOWNEY:** The cost of the lease-back to the tenant? There was a formula worked out that

after — it was 5 percent of the cost price for the first period of years and then somewhat under what the corporation had to pay for the cost of the money.

**MR. ORCHARD:** So that up to the first three years, then that lease-back would have made at a 5 percent of the purchase price that the corporation had to pay and after that, something in the neighbourhood of possibly 7 percent on the corporation's purchase price?

**MR. DOWNEY:** Within a quarter of a percent, I believe, of what the corporation had to pay for the money.

**MR. ORCHARD:** Okay. Mr. Chairman, I find this argument becoming exceedingly strange because here we have a situation where a program which by all connotations given by the Member for Lac du Bonnet that this program was designed to help people get established farming by providing them with low cost land in which to operate a farm. And now it seems as if that a short few years into the program that this land at the 5 percent lease-back or possibly something higher, if it's beyond three years, all of a sudden, is not a desirable asset for that young farmer. Now, that to me, Mr. Chairman, might indicate that at 5 percent lease-back of a given purchase price that MACC had bought that land for, was too high a price for that lessee to pay and, therefore, he gave up the asset. Now do you think that might be a fair assumption to make, Mr. Minister?

**MR. DOWNEY:** I would think so.

**MR. ORCHARD:** Then, assuming that there is no other reasons that that lessee would have given up the land, it would strike me equally strange, Mr. Chairman, that the Member for Lac du Bonnet would now find great fault with us, when a client instituted in the program under his regime, paying 5 percent of their purchase price; it seems strange to me now, that the Member for Lac du Bonnet would all of a sudden be saying that when we have sold the land to an individual and I'll use one particular case, at, Mr. Chairman, MACC's purchase price plus their incurred costs, plus a profit of 43 percent on that particular parcel of land, that means that that man's, the new purchaser is all of a sudden going to be paying, and I'm only guessing here because it would require specific figures, but he may be paying, Mr. Chairman, instead of 5 percent lease per acre, something in the neighborhood of 15 percent lease per acre.

Now, all of a sudden, that particular situation is being turned around by the Member for Lac du Bonnet as being a situation where we, as administrators of MACC, are making a dastardly gift to one of our friends. Well, Mr. Chairman, I would suggest that the Member for Lac du Bonnet is completely misleading the committee, because it just doesn't hold water, that if a tenant instituted in the program under his regime paying 5 percent of MACC's purchase price only, could not make a go of it, had to give up the lease and now when it turns around, that we are asking not only the purchase price, but the corporation's cost plus a 43 percent profit, that certainly there's one of two things that we have to draw conclusion to; either we are drastically ripping off that new purchaser by forcing him through exercise of a bid on the open market system to pay twice probably what the land is worth, according to this, because the man paying a 5 percent lease of a lower price couldn't make a go of it, and all of a sudden we're probably getting the guy up to double the cost and we're giving gifts to our friends, good God, I think the man has got to re-examine his figures.

But then, of course, Mr. Chairman, I think we've got a situation here and I mentioned it last Friday, I think we're got a situation where it's just — and let's leave it at this, it's a difference in philosophy. The former NDP administration believed, totally and entirely in state ownership of the resources of production, including farm land and when we, as a government, who have always maintained, this party has always maintained that the farmer is the best man to own and operate the land, to own it, so that what we have here is when we start taking some of the losers that MACC had purchased on their land lease program, when we take some of those losers and someone through the operation of the free market system is willing to pay us original price, plus all incurred costs, plus a 43 percent profit, I think that, you know, it hurts, it hurts the Member for Lac du Bonnet and the members of his party that we would not continue with the land lease program when in fact, the original tenant gave the land up anyway, and then we turn around and sell the land.

It's a difference in philosophy and we have chosen, Mr. Chairman, the simple situation where if we're going to dispose of a Crown asset, we do it by public open tender, advertised throughout the province, advertised very properly throughout the province. I realize, Mr. Chairman, that from the heckling on that side of the House, that they don't like to hear what's being said, they never do. They never do.

But when the land that's being sold is advertised in both daily newspapers, Manitoba Co-operator and all local papers, it's very well advertised. Notices are up in the R.M. offices, the ag. rep. offices, the MACC offices. The land is very adequately advertised. It is by sealed tender. Now that is the operation of the free market system.

Now, I realize the Member for Lac du Bonnet has problems with the free market system. He wanted to eliminate the Commodity Exchange last year, and so now he wants to eliminate a system of tendering land so that we, as a government disposing of that Crown asset, will achieve the greatest amount that would be possible to get from the buying public.

So it boils down quite possibly, Mr. Chairman, to a difference in philosophy, where that party, the NDP Party, can see undermined the situation where they can direct who gets a land lease to our philosophy where we don't want to dictate who may or may not purchase land, that we've left it open to the free market system.

And when the Member for Lac du Bonnet from his seat mentions and he wants to create that there is only one tender on a given parcel of land, a pie-in-the-sky issue over that one, well, Mr. Chairman, he can create all the issues he wants on that. But in a situation where a parcel of land has been advertised — and I could go through it again for the edification of members opposite, but it's well advertised — and when there is only one purchaser and that purchaser is willing to pay the cost of the land plus the accrued costs of ownership of the land to MACC, plus 43 percent on top of that, and no one else is willing to bid on that, that means to me that that particular individual was quite a little gambler to pay that kind of money for that kind of land when no one else had the nerve to even put in a bid at below cost.

Now, Mr. Chairman, I can find nothing terribly the matter with that, although our friends opposite would like to attribute all kinds of payoffs, etc., etc., to this system of open market tendering. But when only one person tenders and he does pay us greater than the value of the land by 43 percent, I think that's not a particularly bad deal. I don't think that's a bad deal at all.

Mr. Chairman, before I finish off I'd just like the Minister to clarify another thing. This was in earlier discussions on the operations of MACC. I wasn't here in 1972 or 1973, whenever that was taking place, but do I understand correctly that MACC had approved a loan for that parcel of land in Swan River to a private individual?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, that approval had taken place on November 4th to a family farm operation at Swan River.

**MR. ORCHARD:** Okay, so that approval to loan the money to that gentleman had taken place, and before the money was dispersed, do I understand correctly, that the Chairman of the Board of MACC was changed; there was a new Chairman of the Board?

**MR. DOWNEY:** That is correct.

**MR. ORCHARD:** And furthermore, do I understand that that new Chairman of the Board then had that loan approval reversed so that the original gentleman no longer had approval to purchase that land?

**MR. DOWNEY:** There was a reversal by the Board of that loan.

**MR. ORCHARD:** A reversal by the Board under that new Chairmanship, who, within a period of time sometime later, approved the loan to his own son? The Board approved the loan to his own son?

**MR. DOWNEY:** Mr. Chairman, the Board approved a loan to the Chairman's son, yes.

**MR. ORCHARD:** Okay, so I've got it straight. A private individual farmer had received approval of a loan; a new Chairman comes in, reneges that loan and then shortly thereafter the Board approves a new loan to the new Chairman's son.

Now, Mr. Chairman, I think the Member for Lac du Bonnet might have a little bit of difficulty pursuing some of the openly advertised, openly sold, tendered land sales that we're making right now on lands, Mr. Chairman, that the original tenants, at a minuscule sum of 5 percent of MACC's purchase cost could not make a go of it, and we have people in the farm community picking up those parcels of land at MACC's cost, plus their accrued costs to that land — at their original purchase price plus accrued costs plus 43 percent. I find that difficult to make an issue out of

that, Mr. Chairman.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. PAWLEY:** Mr. Chairman, if I could just follow-up with some of the questions just posed by the Member for Pembina and the Member for St. George dealing with the Swan River loan. Would the Minister confirm that Mr. Hofford was quite prepared to table his entire file but then did table his entire file but that Bowles, the other party, refused to have his file tabled.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I'm not aware of that situation.

**MR. PAWLEY:** Mr. Chairman, does the Minister indicate to us that when he inferred only a few short moments ago that the then Chairman, Mr. Hofford, had held up the loan for his son, that he did not have all the facts in front of him, such as that very basic information that Mr. Hofford had made available his entire file for scrutiny, that the aware of that? Minister is not

**MR. DOWNEY:** Mr. Chairman, the point which the Leader of the Opposition is trying to make, I guess, is the fact that maybe the Board in which he and in fact his government had been a part of, appointed some time prior to that, had made a misjudgment; is that what he's saying at this point? Is that why the appointment of a new Chairman took place and in fact was a part of rescinding a loan that the old Board had taken place? Is that what he's saying?

**MR. PAWLEY:** Mr. Chairman, the Minister started along this route. He made a very serious inference a few moments ago, a very serious inference involving a former individual, who performed on behalf of the public. He tried to suggest there was something unforeseen that had occurred in a position of public trust. Now I am asking the Minister, when he made that accusation this evening whether he was aware or whether he was not aware that that file had been tabled and had been made available to the public at large by the then Chairman of the Manitoba Agricultural Credit Corporation? Was he aware or was he not aware when he made the accusation a few moments ago?

**MR. DOWNEY:** Mr. Chairman, I am aware of the fact that the member in question, who should have had an opportunity to appear before that Appeal Board to lay his file before the Board, was not given the opportunity to take legal counsel with him. So, Mr. Chairman, he was not given the opportunity to lay his file before the Committee.

**MR. PAWLEY:** Mr. Chairman, I find that the Minister is not answering my earlier question, whether or not the Chairman did make available his file; it was open; it was available to the public at large. Was the Minister not aware of that when he made his accusation a few moments ago?

**MR. DOWNEY:** Mr. Chairman, that is a particular point which I will take and find out for sure, but I will also say, and I will put it on the record again, that the individual on the other side of the ledger, the individual who was eventually refused the loan, was not given an opportunity to have legal counsel with him to have a hearing on that particular case.

**MR. PAWLEY:** If the Minister discovers after scrutiny, which I suggest he ought to have done prior to his making his accusation, that in fact the file was made available to the public at large, is the Minister then prepared to withdraw the inferences which he had cast earlier upon the former Chairman of the Manitoba Agricultural Credit Corporation?

**MR. DOWNEY:** Mr. Chairman, maybe the Leader of the Opposition could indicate what file he is talking about that was laid before the Committee or the public of Manitoba.

**MR. PAWLEY:** Well, Mr. Chairman, I am really surprised that the Minister really started down this road and apparently knows so very, very little about the background of this case. I would have hoped, prior to his casting an inference and making a statement of fact which cast an inference, that he would have been aware that the entire Hofford file in fact was tabled in the Legislature, I believe.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. PAWLEY:** Well, I am asking the Minister a question.

**MR. DOWNEY:** I was interrupted by the Member for Lac du Bonnet. Would he repeat that question, please?

**MR. PAWLEY:** Was the Minister aware or was he not aware that the file involving the details of this particular matter involving the purchase, the Hofford file, was made available in the House? Was he aware or was he not aware?

**MR. DOWNEY:** Mr. Chairman, again I will say I will check that particular point that the member raises, but I will also put on the record again that the individuals who were appealing that particular loan application after the refusal were refused an opportunity. Mr. Chairman, to present their case and their records with legal counsel before the Board of the MACC.

**MR. PAWLEY:** Mr. Chariman, I find the Minister's answer really an attempt to divert attention from the nub of the matter. I think I should ask the Minister when in fact legal counsel has appeared with any applicant, at any time, within his information, before the Bordd of Directors of the Manitoba Agricultural Credit Corporation in making an application for a loan? What nonsense is the Minister trying to provide us?

**MR. DOWNEY:** Well, Mr. Chairman, the member is referring to the Hofford file that was tabled. I guess he is referring to the Trevor Hofford file, the son of the Chairman of the Board; I guess that's the file that he is referring to, which in fact again goes to show you the trying to divert from the real issue that's before us, and that is the directive of the then Chairman, who was the father of that individual, to change the direction of the Board of Directors on that particular loan.

So it could be quite true that the Hofford file, the Trevor Hofford file, was tabled in the House. That I have no question about. That just shows the individual's ability to put his cards on the table.

Mr. Chairman, the point I am making is that the other indivudal, who had the initial loan application approved, didn't have the opportunity to have an appeal before the Board. —(Interjection)—

Mr. Chairman, I am being interrupted and I would appreciate it if members would contain themselves. It appears that they seem to have a nerve problem over this way.

And, Mr. Chairman, I again say that there was an interference. I don't want to leave the allegation that the interference was for the sole factor that it was for his son to get involved in the purchase, but that is actually what happened, Mr. Chairman, and I will leave it up the Committee and people of Manitoba to make their own decision, particularly when, Mr. Chairman, the individual was not allowed to have a hearing before the Board.

**MR. PAWLEY:** Mr. Chairman, I certainly want to say that the Minister did make an inference. There is no question about that. He may be trying to suggest now he didn't make an infrence. I want to also indicate to the Minister that we're quite aware that he is the member that raised this matter tonight, so that if there was any attempt at diversion it was the Minister that undertook that attempt at diversion this evening, and I have to place on the record — and I believe my colleagues would agree — that we find the Minister's attitude vulgar and d spicable on this particular e point.

Mr. Chairman, I want to ask the Minister how many leases are involved with the Land Lease Program in the Province of Manitoba, through the Manitoba Agricultural Credit Corporation.

**MR. DOWNEY:** Mr. Chairman, those figures are on the record. They have been asked by members of the party opposite. I'm sure all of that's on record. I could give the Leader of the Opposition an approximate figure — I believe it was just over 600-odd.

**MR. PAWLEY:** Mr. Chairman, when the Member for Pembina suggests that there's something very, very wrong in that 15 farmers had to give up their leases because of the high rent, then we're dealing with 15 out of some 600 leases in the Province of Manitoba; is that correct?

**MR. DOWNEY:** Over 600.

**MR. PAWLEY:** Over 600 leases. We're dealing with a 2.5 percent, 2.75 percent figure; is that correct? Would the Minister confirm that?

**MR. DOWNEY:** Yes.

**MR. PAWLEY:** Because I'm sure the Member for Pembina must have thought there were only 15 leases in the province.

**MR. DOWNEY:** I think, to further clarify that, I think there was another figure that the Leader of the Opposition should be aware that through the option that was given to them and continued on option by his government of the day, that there has been — and I don't want to contradict the figures I gave the other day — there has been 121 who have converted from the Land Lease program to wanting to own their own land; in fact, I think it goes up — if the figure were current — probably 200 of those people who were involved in the Land Lease have taken on their option to purchase that particular farm. So the choice of Manitoba farm people is to own —(Interjection)— no, Mr. Chairman, we're not removing that choice. They are able to continue on at the purchase price, plus the cost of the Corporation.

Mr. Chairman, that is consistent with what we inherited, but it —(Interjection)— appears that the numbers of people —(Interjection)— well, Mr. Chairman, the people who want to purchase the land are able to do so, and they are exercising that.

**MR. CHAIRMAN:** The Leader of the Opposition.

**MR. PAWLEY:** Mr. Chairman, in view of what the Minister is indicating to the House, is he trying to suggest to the House that farmers in Manitoba are free to rent any of these lands that are being given up by farmers if they so wish, rather than to purchase the land; that farmers now have an option, that any one of these 15 farms could have been rented rather than been purchased? The Minister is emphasizing freedom of the options that are available, is that what the Minister is indicating to the Committee?

**MR. DOWNEY:** Mr. Chairman, what I am indicating is, that those lands that reach the reserve bid, and the cost to the Corporation, plus the carrying charges, those lands are being sold to the people of Manitoba on an open-public-tender system. Those lands that will continued to be leased will be those lands, Mr. Chairman, that did not reach the cost to the Corporation, which in fact were bought by the last government, which in fact should have been worth a lot more money. But, Mr. Chairman, we are in possession of those properties — too much money was paid for them by the last government, Mr. Chairman, so we have some properties that will be leased to the farmers of Manitoba — and, Mr. Chairman, it won't be an appointed lease or a hand-picked lease, like the last Minister of Agriculture was able to do to put his friends where he wanted to, Mr. Chairman, those leases will also be on an open-offer basis, so that the individuals will have an opportunity — not just the hand-picked ones, or the friends of the last government.

**MR. PAWLEY:** Mr. Chairman, dealing with the lands that are being sold, is the Minister advising the Committee that none of the lands in question were referred to the Land Acquisition Branch for their opinion as to the value of those lands, in no instance?

**MR. DOWNEY:** Mr. Chairman, as I stated earlier in the Committee, that the MACC — the Manitoba Agricultural Credit Corporation — have an individual in their department, who in fact is a member of the Land Appraisal Institute of Canada, who is a qualified appraiser, who was in fact an individual who was used by the last government for their appraisals. As far as the Land Acquisition Branch is concerned, if I have to go back, because maybe the Leader of the Opposition wasn't here and I should repeat it again; that there was a member of his party Party on Friday indicated to this Committee that land was not bought unless it was fully the value that the Land Acquisition had put on it. Well, Mr. Chairman, that is not so. There was a deviation from that, in some cases more price —(Interjection)— well, Mr. Chairman, I am quite prepared to provide those figures for the Committee that, in fact, what he had said on Friday is not the true way in which it was handled. There were properties paid more for, and maybe some paid less for, than the actual Land Acquisition price was set, so, what are they . . . you know, I really find it amazing that they have to go back to say that, you know, you should have the Land Acquisition people take a look at it; when, in fact, they had the Land Acquisition people look at it.

We offered six of those properties for sale, Mr. Chairman, on which the Land Acquisition Branch looked at. The offered price for those properties that the Land Acquisition Branch had looked at and appraised, in fact, or when they purchased them, at this particular point, there was something like a \$76,000 shortfall in the price we were offered for those properties. —(Interjection)— Well, yes, Mr. Chairman, on six properties. Mr. Chairman, one of those properties that he's talking about the Land Appraisal Acquisition Branch looking at one of those particular properties, Mr. Chairman, has a cost to — the Corporation well in excess of \$100,000, and the top offer on that particular

piece of land was \$50,000.00.

Mr. Chairman, you know I really find it amazing —(Interjection)— well, Mr. Chairman, maybe at a \$1,000 — fine — but let us really take a look at what they're saying here. We have a real situation before us, where we are acting totally responsible for the people of Manitoba, that in fact the appraisals that are handled in-house by a member of the Appraisal Institute of Canada, who is, I'm sure, if you want to challenge the credibility of that particular organization, then feel free to do so. —(Interjection)—

Mr. Chairman, the member says that I'm contradicting myself, I think, Mr. Chairman, that we have the facts before the Committee; we've debated these numbers and these figures for many hours; I think the questions have been answered, and if they have any more real pertinent points, I'm quite prepared to answer them. But to go into repetition, because the Leader of the Opposition wasn't here, I'm answering th for him, but to e questions get into the repetition I think really doesn't do the Committee a lot of good. But I would appreciate the . . .

**MR. PAWLEY:** Mr. Chairman, if the Minister has completed his speech, I would like to further pursue this matter. If what the Minister is saying accurately reflects his position, then is the Minister, in fact, indicating that there is no value in an independent appraisal, an appraisal by a body outside a particular agency of government? It strikes me, Mr. Chairman, that the Land Acquisition Branch was established in order to provide for an independent appraisal — an appraisal which would be undertaken by appraisers outside that particular agency. The reason for that was in order to insure that there would be some degree of objectivity, an inependence from that agency, and that is why, Mr. Chairman, the Land Acquisition Branch was established, why the legislation was passed — in fact, I believe it was passed by the Roblin government.

Is the Minister now indicating that he is seriously challenging the basis of that legislation? It seems to members of the Committee, on the basis of what the Minister has indicated, that the Land Acquisition Branch appraisers cannot be trusted; that the work must be done on an in-house basis, because of the fact that he found through his operations, and scrutiny, from perusal of previous files, that the Land Acquisition Branch cannot be trusted. Is the Minister then proposing an overall re-examination insofar as the sale and purchase of lands by all agencies and corporations of government, or is he only referring to the purchase and sale of lands involving farmers through the Manitoba Agricultural Credit Corporation?

**MR. DOWNEY:** Mr. Chairman, if the Leader of the Opposition wants to draw that conclusion, I suppose he's quite free to do so; I think that what I have indicated is what has happened, the past procedure. I'm sure that in looking at the true market value which was established on an open-tender basis, the people of Manitoba had the opportunity to set the market value of that land. We, as a government, were responsible to recover the cost to the Corporation; the cost to the people of Manitoba; plus all carrying charges. And, Mr. Chairman, the reference he makes to the Land Acquisition Branch, I don't think that that would be the conclusion which we would come to, but I have to deal with the figures that are before us, and that's what they are, and I've indicated them to the Committee.

**MR. PAWLEY:** Mr. Chairman, in fact what the Minister is indicating is that he is proceeding on the basis of sales of certain lands according to a mechanical formula which he has developed, without any reference to an independent accredited appraiser outside the corporation.

Now, Mr. Chairman, I think this is a very revealing revelation. I know the Minister may have indicated this on Friday, but I don't believe he should complain, because Members of the Opposition are quite surprised at this point that this practice has been developed — has been proceeded with by this Minister — a practice which I believe to be unique within government. I believe it was a practice which was certainly not pursued earlier, when the Member for Lac du Bonnet was the Minister of Agriculture in his department. I believe it is a practice that is not pursued by the Manitoba Housing Renewal Corporation; a practice not pursued, to my knowledge, by any other government department; and the Minister has indicated that because he distrusts the Land Acquisition Branch, in fact, — in fact, in fact — that's the only conclusion that can be drawn from the comments by the Minister; then, Mr. Chairman, we are left with only one alternative, but to assume that the Minister wishes to, for some reason or other, keep all these matters pertaining to the sale of these farmlands in-house within his own particular department, without the opportunity for any objective scrutiny by an independent body.

**MR. DOWNEY:** I find it quite amusing, Mr. Chairman, the Leader of the Opposition coming forward with that kind of a statement, saying that there was some distrust of the Land Acquisition Branch. That, Mr. Chairman, is totally irresponsible by the Leader of the Opposition, when, in fact, he was

a party to a government who, a member of his Party said that the only way they would purchase any land was with the approval and with the complete support of Land Appraisal. There was no deviation from the Land Acquisition Branch. —(Interjection)— Well, Mr. Chairman, he did say it, it's on Hansard. He said it, Mr. Chairman, it's on Hansard, in fact, they deviate — he didn't trust them — they deviated from the Land Acquisition Branch, when he was a member of government. So, Mr. Chairman, let it go on the record that it was he — he was a member of a government that didn't trust them, they changed the purchase price from, in fact, what the Land Acquisition Branch had put on it.\$

So, I think we want the record to show very plainly, and, Mr. Chairman, again we go through to the Land Lease program where, in fact, the Minister who, by no open-public allocation of those leases of the day, gave to an individual of their choice a parcel of land to farm, a lease on that land, which automatically gave them the right to buy that land at the cost to the Corporation, plus all costs incurred. So, Mr. Chairman, for the record, I think he should be quite brought up-to-date, in fact, that was part of the Land Lease policy — part of the program. So, there has really nothing new been implemented.

**MR. PAWLEY:** Mr. Chairman, the Minister ignores the fact that there was no suggestion earlier that the department would necessarily be bound to follow the appraisal of the Land Acquisition Branch, but that referral would be made to the Land Acquisition Branch in order to obtain the input from that branch, a procedure which the Minister now deems fit as one which he is not going to pursue.

Mr. Chairman, I believe the Minister was asked and has not provided an answer as to whether there was any referral to either the Department of the Attorney-General, or to the Provincial Auditor, in order to ascertain whether or not the practice which he is pursuing is a legal and a proper practice insofar as the sale of these particular farmlands?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Well, Mr. Chairman, I was listening to some comments that were being said by the Acting Deputy. I wonder if he could repeat the question please so I could . . .

**MR. PAWLEY:** The question that was raised earlier is whether or not there has been any referral . . .

**MR. CHAIRMAN:** The Honourable Leader of the Opposition. I'm kind of confused here as to how you've been operating the Committee. Do you not take the names in order, or the debate goes back and forth, and will you scrap the paper? Okay. The Honourable Leader of the Opposition.

**MR. PAWLEY:** Whether or not there has been any referral by the Minister to either the Provincial Auditor or to the Attorney-General for legal or other opinion respecting the authenticity or the legality of the procedure which he is pursuing, insofar as the sale of these farmlands?

**MR. DOWNEY:** In case, Mr. Chairman, the Honourable Leader of the Opposition was not listening earlier today, when he asked the question in the House, I believe, he was told that the Manitoba Agricultural Credit Corporation do retain their own legal advisor and lawyer.

**MR. PAWLEY:** Mr. Chairman, I don't find that to be answering the question. The question dealt with the Provincial Auditor, and the Minister has not indicated whether there was any referral to the Provincial Auditor. In addition, what the Minister is indicating as well to us that again, insofar as the legal aspects are concerned, this is being done in a totally in-house fashion. I will leave that be.

**MR. DOWNEY:** Mr. Chairman, I was just checking with the staff that the Auditors are fully aware of the procedure that was taking place in the sale of land and the total operation of Manitoba Agricultural Credit Corporation.

**MR. PAWLEY:** Mr. Chairman, in conclusion, I believe that it's quite clear that in view of the information, which has been revealed to the Committee by in particular the Member for Lac du Bonnet and the Member for St. George, that some consideration should be given by the Minister to some mechanism so that there can be a complete and full scrutiny as to his handling of the sales of these lands and whether or not proper procedures have been followed, whether or not

there has been any favouritism that has been involved as pursuant to the charges and the information that has been brought to light by the Member for Lac du Bonnet. And I simply want to, in conclusion, suggest that the Minister may very well want to reflect upon his conduct of the affairs of the Manitoba Agricultural Credit Corporation and whether or not he has operated the Manitoba Agricultural Credit Corporation in a method by which the public at large in Manitoba could feel is beyond reproach.

From the information that has been revealed in this House, I think it's very, very clear. Then argue that is not the case, that there has been gross inefficiency; there has been favouritism, favouritism that has existed within the operation of the Credit Corporation. And certainly there has been a departure, I would suggest, from the normal procedures that one would expect to be followed and rather than providing a greater freedom to farmers to determine whether or not they purchase or lease lands that this Minister in fact has removed an option from Manitoba farmers, namely that option for Manitoba farmers to rent rather to purchase lands.

**MR. CHAIRMAN:** The Honourable Member for St. Vital. Order please, order please. The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, I think that it should go in the record that the time that the deviation, that if he refers to a deviation, it actually took place at the time in which he was a member of the government. That in fact a letter of policy had gone out to all people involved in the Land Lease Program, from the then Minister, that the provision that the corporation would sell the land to a lessee at the higher of the market price or the cost of the land to the corporation has been changed so that the lessee may purchase the land at any time at a price equivalent to its cost to the corporation. :

**MR. CHAIRMAN:** The Honourable Leader of the Opposition.

**MR. PAWLEY:** Mr. Chairman, the Minister has reopened a new area or a new question. In view of the information just provided to the House, I wonder if the Minister could elaborate in what way that is a deviation, in what way is it a deviation

**MR. DOWNEY:** Mr. Chairman, he accused me of a deviation. Well, I would say that just what I read out is a continuation of what has taken place in the administration.

**MR. CHAIRMAN:** The Honourable Member for St. Vital. I'm sorry, sir, I called you twice but I apologize. The Honourable Member for St. Vital.

**MR. D. JAMES WALDING:** It's quite all right, Mr. Chairman. I was quite willing to give the Minister the opportunity to answer one of my colleagues.

I'd like to ask the Minister a question or two in clarification of the setting of the reserve bid, as far as those nine properties referred to by my colleagues were concerned.

When the Minister was first asked — I think it was on Thursday — as to how a reserve bid was arrived at, he did tell the Committee that it was the higher of the purchase price plus costs, or the assessed value, whichever was the higher. He subsequently changed that but I'd like to ask him why he told us that that was the basis in the first place.

**MR. DOWNEY:** Mr. Chairman, I referred to the Manager of the Credit Corporation, who in fact indicated that was the policy of the Board and that was what I was indicating to the Committee. I subsequently corrected that and had referred it to the members of the Committee.

**MR. WALDING:** Thank you, Mr. Chairman. So the original proposal of setting the reserve bid as the higher of two figures was actually MACC policy. That's what the Minister has just told me.

**MR. DOWNEY:** Mr. Chairman, in reference to the policy of the Board, that was what was indicated to me at that time. Now, I feel that it could have been a total of the costs. I would have to check further in that, but I have indicated to the Committee that our policy in the items that were presented to us, as far as the selling of the land, the decision was made to sell the property after recovering all costs to the corporation plus carrying charges.

**MR. WALDING:** That's what I want to clarify ' Mr. Chairman, that the policy as far as selling these nine parcels of land was concerned, was a different policy from that established by MACC, and I'd like to ask the Minister where that second policy came from?

**MR. DOWNEY:** The second policy of who, Mr. Chairman?

**MR. WALDING:** The policy of setting the reserve bid at the purchase price plus accrued cost basis. Now, who set that policy? Was that a Cabinet policy of a Minister?

**MR. DOWNEY:** Mr. Chairman, that again was a continuation of sale of the land lease and corporation property. Again, I go back and say that that was the policy that we sold the land under.

**MR. CHAIRMAN:** Order please, order please. Gentlemen, to make sure that the recordings go in there correctly and we know who is talking when and where and how, would you please put your finger up or give me a nod. I'll make sure you will all be heard. But, the Honourable Member for St. Vital, and only one at a time, please, gentlemen.

**MR. WALDING:** Mr. Chairman, I am referring to the setting of the reserve bid for the nine properties referred to in the Order-in-Council. Now, when the reserve bid was set, as the Minister later told us, at the accrued cost basis, now was that a new MACC policy or was that a government policy, or did it come from somewhere else?

**MR. DOWNEY:** Mr. Chairman, that was a government policy in which to sell that property. If the cost to the corporation exceeded the cost plus the carrying charges, then the land was sold, after it had been publicly tendered and offered for sale on a public open market.

**MR. WALDING:** Now, did the Minister tell us this evening, Mr. Chairman, that an appraisal had been done on each of those nine properties?

**MR. DOWNEY:** Mr. Chairman, yes, I said there was an in-house appraisal done on those properties.

**MR. WALDING:** Can I ask the Minister when the appraisal was done? Was it before the property was put up for tender or, if not, at what time?

**MR. DOWNEY:** Mr. Chairman, as I say, the in-house appraisals that were performed, to my knowledge, were made for the purpose of the Manitoba Agricultural Credit Corporation Board to make their recommendation to Cabinet.

**MR. WALDING:** Was that done prior to the properties being put up for tender or subsequent to that?

**MR. DOWNEY:** Mr. Chairman, prior to the tendering of the property.

**MR. WALDING:** So, Mr. Chairman, when the bids came to Cabinet for approval, the Cabinet was then aware that there were two presumably different dollar amounts that could have constituted a reserve bid: One was the accrued cost and one was the appraisal done by the MACC.

**MR. DOWNEY:** Mr. Chairman, the only information that was received to make that decision was the information that I provided the other day, was the cost to the corporation plus carrying charges and the tenders.

**MR. WALDING:** I still find this a little confusing, Mr. Chairman. If the appraisals were done before the property was put up for sale, the corporation presumably knew what the cost of that was, accrued over the years. They also knew what the appraisal was. It had been their previous policy to take the higher of those two, but, for some reason, they only took the accrued cost. Now, did Cabinet instruct them to put that as the reserve bid?

**MR. DOWNEY:** Mr. Chairman, the member refers to a policy that would cause the Cabinet to instruct them to change their policy; is that what you said? Mr. Chairman, the Cabinet did not instruct the Board of Directors to change their policy, or whatever their policy was. They are appointed to run the corporation and we received and accepted and sold the property as government policy. And I again go back and say that the policy was to sell the land at the cost plus the carrying charges of that property.

**MR. WALDING:** But, Mr. Chairman, the Minister also told us that it was the ongoing policy of MACC to set as a reserve bid the higher of the cost or the appraised value. And I have no problem with that at all. It seems eminently a businesslike way to proceed.

**MR. DOWNEY:** Mr. Chairman, if that was the indication that the member got from me, I think I clarified that, that in fact that it wasn't that particular approach that was taken, that in fact they were to make that decision, and how they recommended that to me was not really my knowledge. We actually were given the cost to the corporation and the tenders that were offered, and the recommendation, Mr. Chairman.

**MR. WALDING:** But, Mr. Chairman, the Minister just told me just tonight that it was the MACC policy to set as a reserve bid the higher of those two dollar amounts. He told me just ten minutes ago.

**MR. DOWNEY:** Well, Mr. Chairman, I do not believe that that's what I said, if I did then let me correct it because it was not the intent to say that. Mr. Chairman, as far as the Board of Directors of the corporation are concerned — and I want to make it very clear — that they administer the corporation. How they arrive at their recommendation to the Minister is something that I would be able to check on, but the information that was provided to us as a government — I make it very clear — had nothing to do with the appraisal. They might have used the appraisal. It might have been above or below. I don't know that. But I do know, in checking the figures, that the properties that we sold, Mr. Chairman, exceeded their in-house appraisal, the total sales, by some \$17,000 to \$18,000, as a block of appraisals.

**MR. WALDING:** Mr. Chairman, I get the feeling we're going around in circles. The very first question I asked the Minister . . .

Could I have a little order, Mr. Chairman . . . ?

**MR. CHAIRMAN:** Order, order please, order please. The Honourable Member for St. Vital.

**MR. WALDING:** The first question I asked the Minister when you gave me the floor, Mr. Chairman, was why the Minister had told us, when he first did, that the process for setting the reserve bid was to take the higher of the costs or the appraised value, and the Minister told me, in answer to that question, I believe, that that was the MACC policy. Now, is he now withdrawing that or changing it?

**MR. DOWNEY:** Mr. Chairman, I'm not withdrawing it or changing it. What I'm saying is that the corporation, the Board of Directors, in their selling of the property, or recommending of sale, used the appraised value, I am sure, and the total cost to the Corporation, plus carrying charges.

**MR. CHAIRMAN:** The Honourable Member for St. Vital.

**MR. WALDING:** Yes, I'm trying to get clear; which they used, Mr. Chairman? Was it in fact the higher of those two dollar figures?

**MR. DOWNEY:** I am told by the management that the Board takes both of them into consideration, Mr. Chairman, and they make their recommendation to the government on those considerations, and the decision which we made our sales policy on, was to again sell the land at the cost plus the carrying charges. And, Mr. Chairman, I go back to the point that I made, it was something like a 43.5 percent sale price — the money received was something like 43.5 percent over the actual cost to the Corporation, plus carrying charges.

**MR. WALDING:** Let me try again, Mr. Chairman. When the Board set the reserve bid on those nine parcels of land, did they use the accrued cost figure, or the appraised value, or some other dollar figure, for setting the reserve bid?

**MR. DOWNEY:** Mr. Chairman, again, they used a combination of the two and there was no advertised reserved bid, Mr. Chairman, that the . . .

**MR. WALDING:** Mr. Chairman, that's three different reports that we've been given by the Minister. First of all he told us it was the higher of the costs or the appraisal, then he said that it was the

cost, now he's telling us it's some combination of the two. Now would he like to confer with his staff again and be quite precise and tell us exactly what it was; the setting of the reserve bid.

**MR. DOWNEY:** Well, Mr. Chairman, I go back again to the way that the corporation operates. The Board of Directors have in fact their policy to set the sale for land to recommend to the government. Mr. Chairman, I'll put it on the record again, that the government make that decision; make that decision to sell the land with the reserve bid being the cost to the corporation, plus the accrued interest costs, the same, Mr. Chairman, as in the land lease program where the accrued cost plus the cost to the corporation is used to sell on a not open tender basis which was established by the last government.

**MR. WALDING:** Mr. Chairman, the Minister has now gone back in saying that the reserve bid was the accrued cost bid, yet he told me not two minutes ago it was some combination of the appraised value and accrued costs. Now can we have it exact? Will he tell us just exactly what the situation is? He's given us three different stories and I am quite frankly confused.

**MR. DOWNEY:** I'm prepared to repeat it, Mr. Chairman. The manager of the Manitoba Credit Corporation, in establishing the recommendation to the government, used in fact, the cost to the corporation plus all the accumulated carrying charges.

**MR. WALDING:** Mr. Chairman, I'm not referring to the recommendation of MACC to the government; I am referring in all cases to the setting of the reserve bid.

**MR. DOWNEY:** Well, Mr. Chairman, the policy is to sell the property if it reaches the cost to the Corporation plus the incurred charges. Mr. Chairman, the government policy, if the land was sold after open public tender, was sold after the cost to the Corporation was recovered, plus the carrying charges, which by the way — I'll go through it again — which returned over the total cost to the Corporation plus carrying charges, of 43.5 percent.

**MR. WALDING:** Mr. Chairman, will the Minister confirm that the appraisal, the in-House appraisal, done by MACC on each of those properties, had no effect whatsoever in the setting of the reserve bid? Is that what he is now telling us?

**MR. DOWNEY:** Mr. Chairman, not for the government. It was used as an in-House measure by the Board of Directors but not for the government decision.

**MR. WALDING:** So in those cases where the appraisal was higher than the accrued costs, that did not affect the reserve bid? Would that be correct, Mr. Chairman?

**MR. DOWNEY:** What was that, Mr. Chairman, I was. . . Would you repeat that please?

**MR. WALDING:** In the case where the appraisal was higher than the accrued costs, would that have no effect on the reserve bid that the Corporation put on any of those nine properties?

**MR. DOWNEY:** As far as the government decision to sell, Mr. Chairman, no, it didn't.

**MR. WALDING:** Mr. Chairman, I am still speaking of the reserve bid. I will come to the government's acceptance a little later, but first, I want to get quite clear which of those three different stories the Minister is telling us is the accurate one.

**MR. DOWNEY:** Well, Mr. Chairman, the member refers to the decision that was made to sell the property by the Board of Directors. How was the appraisal used in that particular case?

**MR. WALDING:** I am asking the Minister on the way in which the reserve bid was established in each case.

**MR. DOWNEY:** Well, Mr. Chairman, the policy of the Corporation again was what he's trying to get me to say the policy of the Corporation which I have indicated to him, was the actual cost to the Corporation plus a use of the appraisal value. Mr. Chairman, I would have to get the details on how that was used if that's what he is referring to. Is that what he is saying?

**MR. WALDING:** I want to know, Mr. Chairman, how the MACC arrived at the reserve bid on each of those nine properties.

**MR. DOWNEY:** Mr. Chairman, it is again the recommendation that comes to the Minister, the Cabinet, to make their decision, and how they arrive at that particular reserve bid is really not particularly of final importance when the decision of government is to not sell the land unless it reaches the reserve bid, or the — not the reserve bid — unless it reaches the actual cost to the Corporation plus all the carrying charges.

**MR. WALDING:** Mr. Chairman, the matter of the reserve bid and how it's obtained is important to me when the Minister tells me three different versions of how it's obtained; how it's arrived at. Now I am still trying to find out from him which is the accurate one.

**MR. DOWNEY:** Well, Mr. Chairman, the question of the Board in their recommendations, or how they recommend to government, it is indicated here that above the cost plus the carrying charges and the in-House appraisal, Mr. Chairman, — which is an appraisal and I think we really have to understand what an appraisal is — it's somebody's estimated value which isn't actually the market value. The market value is the actual recovery after it's been openly bid for by all those who had an opportunity and those who have bid. If it's between , the Board make the decision whether to re-tender the property; it is their decision to recommend to either to re-tender or to present it to the government for their consideration; and of course the third one being the government's policy not to sell unless it recovers the total cost to the Corporation plus the carrying charges.

**MR. WALDING:** Let me try again, Mr. Chairman. The Minister keeps mentioning the MACC recommendation to the government. Can I ask him, is it the government or is it the MACC who determines the reserve bid before the property goes to tender?

**MR. DOWNEY:** Well, Mr. Chairman, it's the MACC that when properties become surplus to them that they put their properties for sale. The land is offered on an open public system like I have said many times and bid on to the Corporation. The Corporation take that offer and recommend to government whether to sell it or not, and the government, knowing the cost to the Corporation plus the carrying charges, make the decision to sell it if it exceeds the cost to the Corporation plus the accrued interest and carrying charges.

**MR. WALDING:** Just so I am quite clear, Mr. Chairman, the Minister is telling me that MACC sets the reserve bid before the property goes to tender. Is that correct?

**MR. DOWNEY:** Well no, Mr. Chairman, there is no such thing as a reserve bid other than the cost to the Corporation plus the carrying charges.

**MR. WALDING:** Mr. Chairman, so the Minister is now repeating answer number two to me, that the reserve bid is the accrued cost only. So the in-House appraisal that is done has no effect on the reserve bid at all? Would that be correct?

**MR. CHAIRMAN:** The Honourable Minister. Would the Member for St. Vital repeat his question?

**MR. WALDING:** I asked the Minister whether the in-House appraisal would have no effect on the setting of the reserve bid by the Corporation?

**MR. DOWNEY:** Well, Mr. Chairman, again it's an in-House appraisal by MACC . As far as the sale price of the land, under the actual — and again we go back to how the process works — the government sells the land after the cost to the Corporation and the interest is recovered.

**MR. WALDING:** Okay then, I will now ask the Minister, that when the bids received on these nine properties were sent to the Cabinet, did they show the tender and the accrued costs and the appraisal, in each case?

**MR. DOWNEY:** Well, Mr. Chairman, I think being a member of government, that it really isn't up to me to disclose what goes to Cabinet, but I can assure him, again I've said it time and time again, the figures that the decision is made on is the cost to the Corporation plus the carrying

charges and the highest tender.

**MR. WALDING:** What I'm asking, Mr. Chairman, is whether the government was aware in each case when they saw a bid for a property, whether they also saw the appraised value of it.

**MR. DOWNEY:** No, Mr. Chairman.

**MR. WALDING:** The Minister's now telling me that the government operated in a vacuum, that they were just given one figure not knowing whether it was good value or not? Is this the way that a business-like government operates?

**MR. CHAIRMAN:** Mr. Minister.

**MR. DOWNEY:** Mr. Chairman, that was a recommendation by a qualified Board.  
—(Interjection)—

**MR. CHAIRMAN:** The Member for St. Vital.

**MR. WALDING:** Mr. Chairman, that's absolutely incredible — absolutely incredible.  
—(Interjection)—

I would like to now ask the Minister, if he would give to the Committee in each of those nine cases, would he tell us what the appraisal was for each one?

**MR. DOWNEY:** Mr. Chairman, I don't have that.

**MR. WALDING:** I understood from the Minister on Friday, that this was one of the answers to questions that he would provide for this Committee on this particular subject, that it was of vital interest to the members of the Committee, and that once these things were dealt with that we could probably move on.

**MR. DOWNEY:** Mr. Chairman, I gave them the approximate figures in a lump sum.

**MR. WALDING:** Does he have the appraised value of the one instance that he gave to us this evening? I believe he said that \$105,000 was the accrued cost on a certain piece of property that sold for \$141,000.00. What was the appraisal on that piece of property?

**MR. DOWNEY:** Mr. Chairman, I don't have that with me.

**MR. WALDING:** I'll pass for the time being, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Inkster.

**MR. GREEN:** Mr. Chairman, it's interesting that in tonight's paper there is a short resume of what is being promised in the election in Great Britain. It says, "The Conservatives have countered this by promising the traditionally pro-labour occupants of state-built houses the chance to buy them up at half their market value."

**MR. CHAIRMAN:** Could I ask the member to please stay within the context . . .

**MR. GREEN:** Yes, Mr. Chairman, this is what I'm dealing with. I say that it is Conservative policy, the world over, to offer people — in order to dispose of public property, in order not to show that the public property has value, which if held onto will accrue to all of the citizens to dispose of them at all costs, and in Britain their offer is to give the occupants of state-built houses — public houses — the chance to buy them up at half their market value. Does that sound familiar, Mr. Chairman, to what is occurring at this proceeding?

And, Mr. Chairman, to show you that we have —(Interjection)—

**MR. CHAIRMAN:** Order please, order please. Could we have one speaker at a time, and I'd like to suggest at the same time that we stick with the item that is before us. The Member for Inkster.

**MR. GREEN:** The item that is before us, and I suggest to you that the issue has been considerably

clouded by dealing with individual cases and dealing with the Hofford case and the Ransom cases; the item before us is whether the people of the province of Manitoba will have maximum freedom in their ability to farm agricultural lands in the province of Manitoba. And, up until two years ago, the citizen of the province of Manitoba had these options: He had a right, Mr. Chairman, to buy land — he could buy it outright, or buy it with a mortgage — he had a right to rent property from my friend Mr. Ferguson, the former Member for Morden, and I think that's perfectly decent, and I believe a person should have the option of doing that; and he had the option, Mr. Chairman, of renting it from the state on the basis that the state was willing to have one available option to young farmers which would not make them speculators in land, but which would enable them to rent property from the government at the value that my honourable friend is talking about, on the basis that they would take all that income from the land and they would forego the accrued value.

They did give up something, Mr. Chairman, they forewent — and not entirely forewent, by the way, and I'll deal with that — but they forewent the value of land, which would accrue to them if they held on to it in ownership, and then subsequently sold it at what the accrued value was. They had those three options.

And, Mr. Chairman, the Member for Pembina has indicated something very interesting, which I will deal with in a few moments. They exercised those three options. You could not find a person in the province of Manitoba four years ago, who said, "I cannot buy a piece of private land." There was no such thing; you could not find a person in the province of Manitoba who said, "I cannot rent from a farmer, there's a law against it." You could not find a person who said, "I cannot rent from the public, because the public doesn't have land available or there's a law against it," so, Mr. Chairman, now the freedom loving Conservatives — the freedom fighters — have created freedom by taking away one of the freedoms that the people of the province had.

Mr. Chairman, three years ago you would not find —(Interjection)— Mr. Chairman, you did not find a single person in the province of Manitoba who was forced to give their land or sell their land to the public. You did not find a single person in the province of Manitoba, who was required to rent land from the public. None of those things were compulsory, and indeed there was so much available in every area with the exception of the last area, that those options were continually available.

But there was a problem, Mr. Chairman. The Conservatives had a problem. The Conservatives must continue to demonstrate that anything the public touches will lose money, and their problem with regard to these pieces of land is that they will not, and that's conservatism. The Member for St. Vital was dumbfounded to find out that the value of land according to the Conservatives is what you paid for it plus your accrued charges, and that market value or appraised value did not enter into the picture. But, Mr. Chairman, I'm not astounded — that is conservatism.

If it were any other way, they would have to show that the public, between the years 1972 and 1978 bought so many acres of land at a cost of \$30 million — or whatever it was I don't know what the cost was — and that land is now worth \$50 million. That's what they don't want anybody to know, Mr. Chairman.

It is Conservative doctrine, that the public cannot show value and, Mr. Chairman, —(Interjection)— well, Mr. Chairman, I am right on in this case. The Minister has indicated that appraised value would not be taken into account, because if we take into appraised value, we would have to show . . . that the Minister of Agriculture . . .

**MR. CHAIRMAN:** The Honourable Minister on a point of order.

**MR. DOWNEY:** Mr. Chairman, on a point of order. I believe I stated, Mr. Chairman, that the appraised value was taken into consideration by the Board of Directors of MACC in their recommendation to the government.

**MR. GREEN:** That the value of the land as far as the Conservatives were concerned, that all they were concerned with is if the Corporation told the government that the amount the Corporation paid plus accrued charges, that if that amount was received, then the appraised value would be irrelevant, even if the appraised value was higher. That's what he said. It took about three-quarters of an hour, and I must tell the Member for St. Vital that I was becoming very impatient, but I understood his frustration because he not only got three answers but then he got a fourth answer that nothing was taken into account. But that was the substance of what was said.

Now, Mr. Chairman, I made a little bit of fun of the Conservatives by referring to the fact that they are saying that they are going to sell state-built houses at half the value, which is what we're having happen here; we also have our problems. Labour has pledged to give interest-free loans to married couples planning to buy their own homes, and many in this bracket would be first-time

buyers; and, Mr. Chairman, that is also a disposal of public property. I don't defend that any more than I defend the other.

So, let me say that there is a race — and I will say, Mr. Chairman, that even in our own Land Lease Program, there was a problem in that ultimately the farmer, who stayed on that land long enough could get the accrued value of that land by merely paying the accrued charges, which is what the Minister is talking about. And the fact is that that was available, but interestingly enough — and I say this to the Member for Pembina and maybe he disagrees with this — interestingly enough, 5 percent of the people gave up those leases. And the Member for Pembina, who has no imagination, says that the 5 percent gave them up because they couldn't hack it because the 5 percent rent was too high. You know, that shows a man with no imagination; he couldn't imagine that maybe these 5 percent couldn't hack it as farmers; that they weren't good farmers, Mr. Chairman.

But under Conservative policy, Mr. Chairman, and here is the difference — here is the difference — under Conservative policy, whether they could hack it as farmers or not, if those 5 percent got the land and owned it, even if they were lousy farmers, five years later they could sell it and make a profit; five years later they could sell it and make a big profit, even though they were useless farmers and couldn't hack it at 5 percent of the market value three years ago. They could, Mr. Chairman, because he wants to give them title and everyone that you are now giving title to — you don't care whether they are good farmers, bad farmers, or indifferent farmers, nor do they care because five years from now, if the same thing happens to land, those five percent won't have to give up the land even though they were no good — let's take the situation that I've described.

**A MEMBER:** What about the six we couldn't sell?

**MR. GREEN:** Well, Mr. Chairman, those six eventually will be sold, or, what I hope will happen — and it won't happen under that government, it could happen under our government — but if we come to power, which I believe —(Interjection)— Mr. Chairman, I'll go one step further, the Minister has given a wonderful definition not how to sell property, but how to buy property. When I said that the government, when they come into power — the New Democratic Party — they will give Hudson's Bay what they paid for it, plus the accrued value and the interest to date, he is agreeing that that is a very good formula. And I say to all of those people who bought property that this government should own — like he says that we bought property that the private person should own — that all of those people in the public who bought property — Morden Fine Foods, I give you notice — what you are to get is what you paid for it, plus \$1 million in inventory, which you got for nothing, plus interest charges up until that date, and then it goes back to the public under a formula, which the Conservatives say is very fair for the acquisition of assets — fair to the buyer, fair to the seller.

Hudson's Bay, on Tantalum, you paid \$5 million for those shares, or \$6 million — you will get \$6 million, plus interest, plus your accrued costs, but no enhanced value — no, Mr. Chairman — yes, yes, we will let them have an option. —(Interjections)— We will let them put it up for tender, and the buyer will be the province of Manitoba. —(Interjections)— Yes, the persons, Mr. Chairman, that they got it from in the first place.

But, Mr. Chairman, we have been — and this is the issue that we're discussing — and the way in which we do not come face-to-face with the fact that the Conservatives have impaired materially the freedom of the citizens of the province of Manitoba to have an additional option, vis-a-vis the ownership of land, because all of those people who have bought the land now, they will not, Mr. Chairman, necessarily rent it out; they will not rent it out at the cost that they have now got it at, if it's worth twice the value five years from now any young farmer wanting to get on that land will have to pay twice the value of the land to buy it, or a rental that reflects the market value five years from now, not at the time that it was acquired by the Crown.

That's what has happened with this program. But in order to get around it, how do we sort of cloud the issue. Oh, well there's a good cloud to the issue — the Hofford affair, that will cloud the issue — and the Minister has the nerve, and the Member for Pembina, to say that something went wrong, that a duly appointed Board of Directors' decision to loan \$390,000 to somebody with \$13,000 equity, that that should never have been interfered with. —(Interjection)— And the Minister, Mr. Chairman, has referred on numerous occasions that this was a citizen-appointed Board of Directors and that their's are the decisions that should be taken.

I want to tell the Minister something which might come as a surprise to him. Every decision to advance money by the Manitoba Development Corporation, every single decision with the following exceptions, the purchase of Tantalum Mines, the purchase of Saunders Aircraft after \$21 million had been advanced and the advance to Leaf Rapids Development Corporation, every single one

of those decisions was made by a citizen-appointed Board of Directors. All the money that went into Clare Publishing, all the money that went into Flyer Industries. Excuse me, certain weren't, Churchill Forest Industries was dictated by Sterling Lyon and Duff Roblin. As for Columbia Forest Products, it was handled in that way. But all of those other decisions . . .

You know what, Mr. Chairman, what these people have said? These people have said that citizen Board of Directors shouldn't be listened to but here, Mr. Chairman, the Hofford affair is where a Board of Directors made a decision, a new Chairman was appointed, saved the people of the Province of Manitoba from a bad loan which was described by everybody who looked at it as a bad loan, and I challenge the Minister to take that file out and say, Mr. Chairman, to the Member for Minnedosa, that this is a good loan. He will be the laughing-stock; he will be the laughing-stock. —(Interjection)— Well, perhaps they should have filed the . . . but the Chairman did as well. He caught the loan. He never let it go out, and he stopped it. And subsequently, Mr. Chairman, subsequently, for the benefit of the Member for Morden, who pretends that he is a businessman, the loan that was advanced to Mr. Hofford, who is a citizen of the Province of Manitoba, who is not disqualified from getting money from the Province of Manitoba any more than the brother of the Minister of Mines is disqualified from purchasing land from the Province of Manitoba — and maybe you think he should be, but he is not disqualified — that loan was for roughly \$115,000.00. That was the difference between the two loans.

And if you want to bring that up, Mr. Chairman, then let us have it on the record that when the Conservatives heard of the Hofford loan, they said it was a scandal. Now they say it was a model for us to follow.

I mean, do you think that the Hofford loan was such a good thing? Do you now say, we apologize for all of the names we called you in 1972, and that really the Hofford precedent is what will now be followed by the Conservative government? I wish it were, but I say that if it is a precedent you are not dealing with the same thing and that to bring up the Hofford loan as an answer to what is happening with regard to these particular programs, Mr. Chairman, is cowardice of the type that we have learned to expect from this administration. You couldn't defend this program, so you pointed at Max Hofford. Why don't you say this is a good program? Not that it's as good as the Hofford program, which you said was full of beans, full of hot air; that's what you were saying.

And by the way, when we dealt with the Hofford program, to the Member for Pembina

**MR. CHAIRMAN:** The Honourable Minister, on a point of order.

**MR. DOWNEY:** Mr. Chairman, on a point of order, the reference to the Board of Directors was in direct reply to the accusations made by the Member for Lac du Bonnet in reference to an accusation of involvement by the Board of Directors in the operations of MACC, Mr. Chairman, and that is the point of order.

**MR. CHAIRMAN:** There is no point of order. To the point of order, the Honourable Minister's point of order was not a point of order. The Member for Inkster. A point of privilege has to be accompanied by a Resolution, a motion as such, a motion. The Member for Inkster.

**MR. GREEN:** Mr. Chairman, I don't care how it came up. I heard the Minister of Agriculture continually refer to the fact that these decisions and these loan decisions are being made by the Board of Directors, that the Board of Directors give them careful consideration, that the Board of Directors make decisions and, in the Hofford case, that the Board of Directors made a decision that was reversed by the Chairman. I am telling you that you cannot get off that easy, that for five years I could tell the Legislature and everybody else that Flyer Industries Limited was a Board of Directors loan which they had said the Board of Directors should not be interfered with, and the Conservative Party said that I cost the Province of Manitoba \$40 million. They didn't say that the Board of Directors cost them \$40 million, but the only Part I loans under the MDC were Leaf Rapids, which happens to be good, Tantalum. These are the only Cabinet-directed loans. Leaf Rapids, which happens to be good and Tantalum, which is very good. I am very happy that we were the ones who directed that one. And the advances to Saunders after the first \$21 million.

Mr. Chairman, you are correctly bringing me more directly to the subject.

There is one thing that will be lost from this policy, in addition to the fact that there is an attempt to becloud, by the Conservatives, the wealth that was accrued to the entire people of this province by the ownership of land, which is now attempted to be obliterated and for sure don't show what the land is appraised at because you will show that the ownership of land was good to the province and getting rid of it will cost us money and not save us money.

Two hundred new farmers, Mr. Chairman, went on the land by this option. —(Interjection)— Well, no, 200 became owners of land. Even if we used the criteria of the member . . . —(Interjection)— Mr. Chairman, the honourable member says "hand-picked by me". I would hope that there was criteria in establishing what farmers would be entitled to proceed. I don't believe that if you went to these 200 farmers you would find 200 New Democrats. I rather suspect you would find 49 percent Conservatives, perhaps more, perhaps more, I rather suspect.

But, Mr. Chairman, what we do know is that 200 new farmers took this avenue: They first rented from the Crown; they started off at the 5 percent lease and they exercised their option. Another 200 are still on leases. —(Interjection)— Another 400 are still on leases. What the government is doing with this program, and without any respect to any of the other things that are being suggested as to who is hand-picked and who is getting an inside track and who is getting a deal, because I say that that is not the issue. I happen to think — and maybe it will be thought by the Minister to be a naivety on my part — that the 600 farmers who rented land in the Province of Manitoba, were representative of the rural population of our province, that they do not reflect a particular political point of view.

I also happen to think that the people who bid on these properties are representative of the agricultural population in the Province of Manitoba. I'm not worried about the names. The names don't bother me in the least. The fact that the Minister's brother bought land, look, the First Minister of this province's brother, in 1974 or 1975, was entitled to the most substantial compensation for wildlife population devastation. I make that statement without any hesitation, without any suggestion that there is anything wrong, because I don't think that there is anything wrong. Why isn't he entitled to whatever . . . I mean I think that there are Members of the Cabinet whose wives and who themselves use Medicare. That's not a scandal to me. What is a scandal is that we are impairing in a very meaningful way the freedom of Manitobans in the agricultural community and, secondly, and what makes me not only sad but probably a little bitter, is that we are camouflaging the fact that the wealth of our province has been increased by this activity, not reduced, and that it's the Conservatives who are doing their best to make sure that the public under no circumstances will show black figures.

If the honourable member will look to the same program in housing, which we do have, he will know that the Province of Manitoba spends a certain number of millions of dollars — and I can't give you the exact figure — on housing. That housing is now worth almost double the figures. The people who are living in them are living at the original rental figures, because that's all the people paid for. And to that extent those people are gaining immeasurable in their day-to-day lives because they don't have to pay exorbitant rents. That's the kind of thing that we could do for agricultural people, as well, if we elect another government, because the Conservatives are not going to do it. What the Conservatives will do is, in a desperate attempt not to have land available on that basis, is that they will give the occupants of publicly owned farmland the chance to buy them up at half their market value. That's what they will do; that's what they will do.

**MR. DOWNEY:** Mr. Chairman, I find it very interesting to have the Member for Inkster bring forward again the policy in which he was part of as a government, and I think it's well worth reading into the record, really, what was said. It was the policy of the last government and has to be said. It was in 1977, in August, that the MACC Land Lease Agreement, "The Honourable Minister of Agriculture, Mr. Sam Uskiw, recently announced changes in the Land Lease Purchase Program. The most important changes are the provision that a lessee must lease the land for five years before he could purchase it. It has been changed so that a lessee may purchase the land at any time." It was just before the election.

"The provision that the corporation would sell the land to the lessee at the higher of the market price or the cost of the land to the corporation has been changed so that the lessee may purchase the land at any time at a price equivalent to its cost to the corporation."

**MR. GREEN:** Mr. Chairman, I think to give the Minister his full marks, he is correct, that that was in my view — and I say it now, and the Minister knows my view on it — that was not an improvement to the program. But just because, Mr. Chairman, we made a backward step in the program — and I consider that it was a backward step — doesn't mean that he has to go backward all the way back and eliminate altogether.

I indicated, Mr. Chairman, and you try to indicate that this was irrelevant but I say to you that that very same mistake or that same type of thinking has plagued the two parties in England. Labour has pledged to give interest-free loans to married couples planning to buy their own homes. They are doing it just before the election. I say it's wrong. I say that that step was a backward step. But just because the Hofford deal is something that you can look forward to as a precedent doesn't mean you have to do ten times worse.

I'm not suggesting anything was wrong with the Hofford deal, and I dealt with that in the House at the time and I put my remarks on Hansard for the record, it doesn't mean because we did in some way reduce the value of that program, it doesn't mean that you have to do ten times worse, which is what you're doing and then you point to the precedent. Well, we didn't think it was 100 percent either, but it was still a program, Mr. Chairman. In spite of that leasing, 5 percent did not pick up their options. You made it available and now you have sold it — not leased it, sold it — and 200 farmers exercised the option, got on the land in that way and another 200 are still leasing. —(Interjection)— 400 are still leasing.

But you have made it worse. We did something which wasn't as good as it should be, and you say that because the New Democrats made a minor change that hurt the program a little, that proves that we have the right to kill it entirely. Just because the New Democrats gave it a black eye, that means we should cut its head off so that you can't see the black eye anymore. That's the kind of logic that you are giving us.

**MR. DOWNEY:** Mr. Chairman, I just want for the Member for Inkster, who is indicating that this is the way it's all being handled. The people who have the leases on the land are carrying on the same kind of a program as what was in place. The lands that are being sold are surplus to the corporation.

Mr. Chairman, we sold 8 properties on an open tender method of sale recovering the costs to the Corporation which was part of their policy of their program, Mr. Chairman. Total costs to the Corporation plus the carrying charges and all the people of Manitoba had an opportunity to set the market price and be the appraisers of what was taking place. Let the people be the judge, Mr. Chairman. Let the people be the judge and they are the judge. And in fact made a profit over the cost of something like 43-½ percent actual cost to the Corporation.

The six properties, Mr. Chairman, which were surplus to the Corporation were not sold, Mr. Chairman. Why were they not sold. Because they did not recover the cost to the Corporation plus the carrying charges which, Mr. Chairman, again shows that one of the things that could have been was that the purchase price was too much — paid too much by the Opposition at the time of government. What we are doing, Mr. Chairman, we're retaining those properties and we are leasing them to the people of Manitoba in a responsible manner. Mr. Chairman, let me assure you that those properties will be offered for sale to the people of Manitoba. Mr. Chairman, the people sitting opposite have an opportunity as members to put in a tender, I'm sure, their friends whether they are NDP, Conservative or Liberal, or whatever party they want to belong to. Nobody is dictating to them that they can buy or can't buy. They have the freedom and the open opportunity to put their tender forward and let them be the people who appraise what the value is.

And, Mr. Chairman, if they are the highest bidder which is the way a free and open market system works, if they are the highest bidder, Mr. Chairman, then they purchase the property if we recover the costs to the Corporation plus the carrying charges which the people, the member opposite, referred to, and I said it, the hand-picked people which they now have the opportunity to buy at the costs to the Corporation plus carrying charges. Why, Mr. Chairman, isn't it fair for one million Canadians to have the same opportunity as they gave 660 farmers, Mr. Chairman. That's the point. Let's give the people of Manitoba the open opportunity for freedom and we are, Mr. Chairman, on an open public —(Interjection)— well, Mr. Chairman, it's on the record. It's before our eyes, it's in black in white. They've been advertised openly. Mr. Chairman, it's been openly advertised for the public of Manitoba. Not just the hand-picked people who they decided to lease land to, Mr. Chairman. How many open leases or opportunities — where are the 30,000 farmers? We talked of 600 farmers that entered into a program. Where are the other 29,400, where was their acceptance to the program? Mr. Chairman, they were so disturbed that you are sitting where you are and where we are at. State farm program put you there and it will keep you there, let me tell you. And selling public property on an open tender system the way we're doing it will make sure we're on this side, Mr. Chairman, and let that be on the record, too. And I'll campaign on that. Go ahead into the country and campaign on your state farm program, hop right to it and we'll go and operate on our open, public system and we'll campaign on that one, too.

**MR. CHAIRMAN:** The Honourable Member for Inkster.

**MR. GREEN:** Let the record show that I offered the Member for Lakeside that I would go into his constituency, he should name the hall and that I would argue and debate the public availability of land to young farmer program. And it was the Member for Lakeside who did not take up the invitation and I'm prepared to do that and if you think that is what won you the election, I hope you go on thinking so because it isn't and it won't. Well, Mr. Chairman, it isn't what it won't. Mr. Chairman, I suggest to you that is not what dealt with that question but we will have an opportunity

of dealing with it in the future. What is on the record is that I said to the Member for Lakeside, you name the hall, you name the place, I will come. Because he said the very thing that you said. He said you come into my constituency and say that. I said, name the date, name the hall — and I say to you, name the date, name the hall in your constituency and I will go and talk to your constituents about this program. You name the date.

**A MEMBER:** March 1st, 1981 the Reston Hall . . .

**MR. GREEN:** No, Mr. Chairman, I rather think that we may hit the polls a little earlier. You name the date as soon as the session . . . in your riding and any other Tory who thinks that the rural people — because I was at Morden and they said that I wouldn't say this and there was, I admit, it wasn't a thousand people but I asked which farmer in the Province of Manitoba has been forced to give his land to the government? Which farmer in the Province of Manitoba feels that no other farmer should have a right to rent public lands from the government? Because I was told that if I come here to the people of Morden and say that, they would run me out on a rail. I can tell you that the people of Morden treated me very nicely when I said that. —(Interjection)— Mr. Chairman, Chairman, you know the Member for Morden is making the mistake that Mr. Trudeau made. You eight people who are carrying these signs get off your ass and get a job. I can tell you that I was talking to decent people in Morden constituency. I am quite willing to go and talk to your 300 if you're willing to risk it. You name the date and the place and I will be there.

But, Mr. Chairman, that is not the problem. The member says that we . . . you know you use the same logic. These sales, you don't like them? The Hofford sale was worse. These deals you don't like or the Land Lease Program we are killing it. Well you injured it a little bit, therefore we could kill it. Now, he said, Mr. Chairman, that we purchased property for more than it was worth — that's what he says.

**A MEMBER:** That's right.

**MR. GREEN:** So he says you purchased it for more than it's worth? We can sell it for less than it's worth. That's our justification. Well, seems . Chairman, I don't see that. —(Interjection)— It to me that your objectives should be as follows. . .

**MR. DOWNEY:** We're letting the people decide that.

**MR. GREEN:** Mr. Chairman, it seems to me that your objective should be as follows: purchase it for the lowest price that you can get it. As a buyer you seek to buy at the lowest price and sell at the highest price. To me that's capitalism, it's socialism, it's common sense and the fact is that is what an owner of property should do and what you have done is you have said that if it's worth \$200,000 and I get a price of \$160,000 and that's all I paid for it that's what I'm going to sell it for.

The Member for Gladstone says you want to gouge the farmer more than 43 percent. I don't want to gouge the farmer at all. I want him to pay the market value. If that's gouging, Mr. Chairman, I don't want to gouge the people of the Province of Manitoba. The people of Manitoba own a piece of property that's worth \$200,000 and they want me to give it to a farmer for \$160,000 so I say that I am gouging the people of the Province of Manitoba by \$40,000.00. That's right. You want to gouge the people. I don't want to gouge anybody. I want to sell for market value, I want to purchase for market value.

**MR. GREEN:** Mr. Chairman, the Member for Gladstone said they got 43 percent more — how much more do you want to gouge them. And I say to you, Mr. Chairman, if I paid \$100,000 for a piece of property and the market value of that property was \$1 million then I am entitled to the \$1 million not 200 with 100 percent profit.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** Mr. Chairman, on this very point of the market value, let's go back to the principle of the fact that it is being offered to the people of Manitoba to establish the market value. You can have the appraisal of two people, the appraisal of the people of Manitoba, there's a million people appraising that property who want to put an offer to that property, have the opportunity to establish the price. We are taking a responsible position as a government to recover the cost to the Corporation plus the accrued interest cost which they are in fact doing and have done in their policies. I can't understand what he's saying when he's trying to say that we are not being

responsible. We are in fact are being responsible. The people of Manitoba are setting the market on that. We are securing the people by having the cost plus accrued carrying charges.

Mr. Chairman, the Member for Inkster does not understand. He is the engineer, he is a person who has to totally dictate what is and what isn't. Mr. Chairman, that isn't the free system and how it works.

**MR. GEN:** I believe that when we were in government we dictated nothing. We didn't dictate that there would be no public land available. Here is a dictate: there is public land available for rental on the basis of a farmer being able to rent it at its 5 percent. Mr. Chairman, if the Minister will tell me that that program will still be available now and that he has not dictated it out of existence with the exception of those properties which are already leased then I will retract but he has already told us that he has dictated that program out of existence with the exception of those who are now in it. That's dictation, Mr. Chairman.

**MR. CHAIRMAN:** We have a motion Committee rise. Agreed? The motion is not debatable. —(Interjections)— The Honourable Member for Lac du Bonnet.

**MR. USKIW:** I would like to know before we adjourn whether the Minister is prepared to leave us the file that he referred to with respect to certain allegations that he was making? We would request that he file that information today or tomorrow whenever it is convenient to him. The entire file.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. DOWNEY:** The file referring to the Bowles offer, well, Mr. Chairman, there are some third parties involved in this and I think that —(Interjection)— well, Mr. Chairman, I've raised — well, it's been a matter of the operations of the Corporation and I will give consideration to it.

**MR. CHAIRMAN:** We have a motion that Committee rise (Agreed). Agreed? Committee rise.

### SUPPLY — HEALTH AND COMMUNITY SERVICES

**MR. CHAIRMAN:** I would direct the honourable members' attention to Page 51 of the main Estimates, Health and Community Services; Resolution No. 65, Item 4., Institutional Services. We are on (d), Institutional Mental Retardation Services. (1) Salaries—pass; (2) Other Expenditures—pass. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, the DASH Residence was supposed to be some kind of a pilot project. I think it was catering to very difficult cases of physically and mentally handicapped. The per diem rate is the highest by far of all these institutions, and I think that a few years ago there was some kind of a "wait period" to see if this would be measuring the cost and the result. I wonder if the Minister could tell us now, after a couple of years in existence, what the result is, and if there's been any evaluation, and will this be the first of more such institutions, Mr. Chairman?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** It's not completely evaluated yet, Mr. Chairman. We have had some staff changes there, and we are continuing to regard it as a pilot project which could possibly be the prototype for additional residences of that kind in the future. But it's going to take more than the time that it's been in place to measure it in terms of cost effectiveness, and general effectiveness, and the value for per diem. But so far I'd say it's working out pretty well.

**MR. DESJARDINS:** Thank you.

**MR. CHAIRMAN:** (2)—pass; (3)—pass. The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I think we've covered most of (3) quite well this afternoon and previously. There's only the one, the External Program, I think that includes a grant to the Canadian Association for the Mentally Retarded. And I think it's probably the only agency that's getting a reduction — and it's getting quite a reduction. I've always felt that this Association was working quite well and was doing some work that was needed in Manitoba. I wonder if the Minister could tell us why there's such a large reduction in this item?

**MR. SHERMAN:** Yes, Mr. Chairman, we've gone through the budget aspect of the Central Office, the Winnipeg Office of the Manitoba Division of the CAMR very thoroughly and extensively with our External Agency people, and with the CAMR. On frequent occasions over the past four to five months, you will recall that there was a discussion that became a public discussion in November, when we were first discussing with the CAMR the prospect of a reduction in funding at this particular level in 1979-80. At that point in time, they had received about one-quarter of their '78-79 funding, they hadn't received the last three-quarters and they did receive it at that time, but the discussions that were held at the time as I say became public discussions, and the issue then of our satisfaction with the total, sort of area funding for the central office of the CAMR came into question.

We are in business essentially, Mr. Chairman, of funding services. We expend over \$20 million a year in this province. When I say we, I mean we the taxpayers of Manitoba, expend over \$20 million a year in this province in services to the retarded. The CAMR is the central office function. We feel that there are certainly some essential services at that office performed, but we feel that some of their function is devoted to the advocacy role and they have resources and reserves in the community upon which they can draw for funds. They're very active in generating support in the community. There are two or three projects, one in particular that we're all familiar with that has some considerable publicity surrounding it right now to raise money for the CAMR. That's very laudable and all to the good, but since they have those resources and have that area of support in the public and community that they can draw on, we do feel that we have a right as the trustees of the taxpayers funding these operations, to call for 100 percent accountability of where the funds that we're providing them with are going. And in pretty intensive examination in our External Agencies Branch, we're not satisfied that the funding that goes there necessarily goes totally and fully for service. It goes in large part for what we discern as an advocacy role.

We have no objection to advocacy roles, but I put the question to the honourable members, Mr. Chairman, whether the government and the taxpayers should be funding advocacy.

Now, we have embarked on four new programs this year that more than offset by far the reduction proposed here in the funding for the central office of the CAMR. We have put a new community residence into place in Thompson, the annualized cost of that is \$46,000 and two additional new community residences will be added this year. We've introduced a Respite Care Program at a cost of \$84,000 which will provide relief for parents of multiply-handicapped children including retarded children. We have introduced a new program, \$25,000 funding for Citizen Advocacy Manitoba Incorporated which is essentially committed to the one-on-one Big Brother — Big Sister type of advocacy for mentally handicapped and mentally retarded people, and we are expending \$64,000 on an initiative in the volunteer field to recruit and put in place a new cadre of volunteers, many of whom will work in a mental retardation field.

If you add those programmes together, they more than offset the reduction by far, the reduction in this CAMR grant and we feel we are taking a justified course, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, the minister said that this was arrived at in consultation with the Association. Now, is the minister informed that they can go ahead and proceed with the work that they were doing, with the reduction of grant that they will be able to keep up the work.

The Minister mentioned some other programs that were started, and they are all very good programs, there is no doubt about that but why is it that this particular group was singled out? I don't remember in any other agencies that we have seen so far would have a reduction at all. Not only is this one not given an increase, the Minister also mentioned the fact that they're raising money. Wasn't that for extra work you know if the people are penalized for raising money, I don't know what this will mean. I don't know, Mr. Chairman, it seems to me that I have to read between the lines. I don't know, because this group was so outspoken, I know that they have been outspoken for quite a while and criticize when they felt that the government of any day should be criticized but is that the main reason? Is this the Minister wants to replace the association with other groups? Is this the beginning of the end for them? Is there any guarantee that there will not be a further decrease next year and that the government will come back and say well we've got new programs? Is it something that the Minister doesn't believe in? Maybe he could tell us or thinks there's other priorities much more important and he feels that they should discontinue funding them altogether.

**MR. SHERMAN:** No I don't suggest for a moment, Mr. Chairman, that our thinking runs along those lines or that there is any intention or any desire to reduce the effectiveness of the CAMR which is a very effective social service, human service agency but they do, even under the reduced funding that is proposed here, and the honourable member is quite correct, most other agencies

have got increases and the CAMR really is certainly one of the few and perhaps the only one who is being asked to take a reduction. But even at that reduction, even at the proposed 1979-80 level of funding, that is one of the largest general purpose grants that is provided by this government. The grant to the CAMR is a general purpose grant in support of the activities of the association, I'm not sure whether it's the largest general purpose grant but it is certainly one of the largest and much larger than most general purpose grants which run in the neighbourhood of 10, 15, 20 thousand dollars.

The amount that was paid to the CAMR in 1977-78 was \$76.2 thousand dollars. Last year, this past year just ended, it went to \$101.7, this year we're budgeting for 79, \$79,000.00. So although it does represent certainly a considerable departure from 1978-79, it's not out of line with the funding levels of a couple of years ago. Now I know that members opposite will say that doesn't take into account cost and price increases and inflation. But the fact of the matter is, Mr. Chairman, that we have examined in our agency relations branch and the directorate has examined with the CAMR and with my office very carefully the role of the CAMR, the different things that it's doing and in some areas it is operating on what is easily identifiable as a service plane.

In other areas it is operating in a development or developmental an advocacy plane. And we have to, as government and as trustees of the taxpayers' money, directed to this kind of agency operation, ensure that we are treating everybody reasonably equitably, and that we are paying for service.

I think that the advocacy function desirable and laudable as it is, is the kind of function that you, or I, or any one else would reasonably expect to have to go out and support on our own; go to the public for support rather than expecting government to fund a group that is motivated, and quite legitimately so, with lobbying the government.

So this really is at the root of the decision. It was discussed with the CAMR in November. They were advised quite clearly in November that the prospect was for reduced funding at the Central Office level in 1979-80.

One further consideration is the accountability factor. There has been, in the view of my department officials at any rate, a more open and a more wide-spread accountability performed by other agencies in discussing their budgets and in accounting for their budgets and their expenditures than has always been the case with the CAMR. So there's been some differences of opinions as to how and where the CAMR funding in its entirety was being directed. The outcome of those discussions was a pretty clear indication to the CAMR in November that we would be increasing our funding of services, but the prospect was for a decrease in the funding in the general purpose grant to their Central Office.

It does not indicate a repudiation of the CAMR or any particular position for the future. Simply, it's a reflection of a desire to have a tighter accountability from the CAMR, and a tighter service function rather than an advocacy function.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. SAUL A. MILLER (Seven Oaks):** Well, Mr. Chairman, I have been listening carefully to the Minister, and frankly, I can't accept what he says. You know, he's building his entire case on the separation between service and advocacy, as if that really can be separated. Surely the role of an organization which has as its objectives the well-being to the mentally retarded, surely their role has to be both services and as an advocate for the mentally retarded in this province.

The Minister well knows the problems of trying to get community residences acceptable within a community. The opposition that develops are people who feel uncomfortable with having a community residence of retarded, even though very moderately or mildly retarded, anywhere close to where they live.

The CAMR is an organization dedicated to both giving service to retarded people, and trying to enlighten the population, and educate the population to be more accepting of retarded people. For too long, retarded people have been shoved aside, pushed away, hopefully in a dark closet so that people don't have to look at them so society doesn't have to be concerned with them, but those days are gone and the CAMR naturally is a logical advocate for their clients, the people they represent, the retarded in this province.

Mr. Chairman, on the one hand I gather the minister in the newspaper story, I think it was on April 5th or 6th, said that we're not, we the government that is, is not in the business of funding advocacy, and I believe today he said something very similar. He said part of their budget is advocacy and really he didn't feel the government should be spending tax money on giving money for advocacy when in fact, they are a lobbying group and it sounds to me as if what he's doing here is a message somehow. If you lobby too hard, you're going to get cut off; if you stand up for your clients you're going to get cut off; if you stand up for the people who it's your job to stand up for, watch it,

the government's going to cut you off. And that's exactly what's happening.

Mr. Chairman, he also gave a grant this year to a group known as Citizens Advocacy Incorporated. What is that group? By the very nature of the name, Citizens Advocacy Incorporated, they are advocates for certain retarded people on a one-on-one situation, perhaps, but nonetheless, they still advocates. They take under their wing someone who's retarded, they see to it that that person if they don't know the places, cess to all the services, they try to open doors for has a that person. Or if it's for more than one person that he's acting as an advocate for, it is an advocacy group — their name is very clear, Citizens Advocacy Incorporated. So they give them \$25,000 I think for the very first time I'm not sure they received anything before I . — know they didn't in '77-'78, I'm not sure about last year, they may have given them some grant, but this year suddenly, they just rise out of nowhere literally with a \$25,000 grant, oddly enough the same amount by which the CAMR is being cut.

It's as if the minister was told never mind need, you've got so much money and if you're going to give something to this group, then you've got to take it out of somebody else's hide. So I can't accept the fact that the CAMR is going to be cut back because they dared to be advocates for the retarded, which is their job.

Secondly, the minister, I remember reading where he sort of indicated that he was concerned because there were so many organizations with overlapping jurisdictions and overlapping clientele and there wasn't the interfacing that should take place and the duplication that may occur, and I suggest to you what you're doing here is adding to that. The CAMR is a natural organization to speak on behalf of and for the retarded Manitoban, both in offering services offering help, being advocate, you name it.

And now, to take another group and give them \$25,000 to do what this group in a sense is doing already makes no sense to me, because you're simply splintering the efforts of this group by setting up another group, and inevitably they'll have their own administration, they'll be doing their own thing. And I'm not saying that perhaps the Citizens Advocacy group should not be funded, but not at the expense of this group. So I have to reject quite strongly, the idea that because they are advocates, that's the excuse given, because they're advocates, because they stand up for the retarded in this province, because they might even dare to lobby the government, or might even dare to come out and say, "More should be done for the retarded in this province," that that Minister says, "Hold it, that's not your job. You're just supposed to give service quietly and be good boys. Don't you dare speak out. Don't you dare raise hell." Mr. Chairman, that's not acceptable. If the Minister wants to do it, so be it, but don't make up a bunch of phoney excuses. He wants to cut them down, let him cut. So be it, it will be on his head. He's got to explain it, he's got to be accountable for it.

But to try to come out with some sort of wishy-washy argument that they are advocates for the retarded, and we are not in the business of funding advocates, Mr. Chairman, they are funding other organizations who also serve as advocates for their clientele, and there's no doubt in my mind that the Canadian Association for the Mentally Retarded, Manitoba Branch, are indeed the advocates for the retarded. They have been for years, and the truth of the matter is, if there's been any improvement in services, in programs for the retarded in Manitoba, it's due to the efforts of such as the CAMR, Manitoba Branch.

They're the ones who kept putting the problem forward; they kept doing it, they kept pushing government. They go to service clubs, they go wherever they can get an audience, and they make the case. Somebody has to do it, and I take my hat off to them, because they've done it when it was unpopular to do it, and they're still doing it today.

So, Mr. Chairman, I deplore that cut. I think it's a vicious cut. I think it's an unnecessary cut, and I think it will certainly hurt, not the services perhaps, in the narrow sense of delivering a service, but it will hurt the services to the retarded in the larger sense of crippling, of inhibiting the work of the association to bring to the people of Manitoba the message that it's high time we changed our attitudes towards retarded, that society has to make room for the retarded in our communities. That's the role of this organization, that's the function of this organization, that's where they perform best. And I think that to deny them of the \$25,000 that's being denied will cripple their operation, will render them, well, much less effective than they are today.

And I suppose that the Minister will be happy that they're going to be less effective in lobbying him, or less effective in marshalling other groups in our community to lobby the government. And maybe that's what it's all about. Maybe that's what the Minister is trying to do, to avoid getting lobbied. But this is one hell of a way to do it, Mr. Chairman.

**MR. CHAIRMAN:** (3)—pass;(d)—pass. Resolution No. 65—pass. Resolution No. 66: Item 5. The Alcoholism Foundation of Manitoba—pass. The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, I regret there was a question I wanted to ask the Minister which is not in any line. It deals with the recoverable portion from Canada under the Mental Retardation. Is that under CAP — I just wanted to get that straight?

**MR. SHERMAN:** It's under both CAP and VRDP, Mr. Chairman.

**MR. MILLER:** Mr. Chairman, with regard to the AFM, in this case, with regard to the recoverable from Canada, I'll ask the question first. Is that again CAP and VRDP, or are there other sources for funds as well? Federal?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** The recoverable from Canada here does not come under CAP, Mr. Chairman, it just comes under VRDP.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. J.R. (Bud) BOYCE:** I'm waiting for the minister to explain where he's taking this this year. Earlier under his Estimates, Mr. Chairman, we were discussing the pieces together. He said when we reached this item, he would be telling us what he was going to be doing this year, with this appropriation.

**MR. SHERMAN:** With this appropriation, Mr. Chairman, we are asking for \$4,454,200 to cover the various components of the AFM operation including provincial administration, provincial programs, treatment programs and external programs. If the honourable member is referring to building the pieces together, I told him and I think it's quite clear that from the earlier debate, it was pretty extensive on that subject, that the Minister of Education and I together with our colleagues, are looking at Building the Pieces Together Program. At the moment, it's available to anybody who asks for it, but it's not being promoted in school divisions.

**MR. BOYCE:** Well, perhaps the minister doesn't recall. I wasn't referring specifically to the Building the Pieces Together, but in that debate, he had said that he was going to release some horror stories and a number of other things, that the people weren't too happy with the former administration in this particular line and he had reorganized it, and he was planning a new thrust, and he said he would be discussing this with the Committee when the item came up.

**MR. SHERMAN:** Mr. Chairman, I don't think I ever used the term "horror stories" in connection with the Alcoholism Foundation. I have said that we felt that there was great misunderstanding and frustration and tensions between various of the external agencies in the alcohol field, between various components of the alcohol community and the AFM, and some changes have been made, and I'm prepared to answer any questions that the honourable members opposite wish to ask, to the best of my ability.

We have made some changes on the Board, new appointments to the Board, succeeding members whose terms have expired or else members who've resigned. We have changed the title of the Managing Director to Executive Director. There's a new Chairman of the Board, Mr. Gary Miles; there's a new Executive Director, Mr. David Cruikshank, who hasn't quite taken over yet. In the meantime, the Acting Executive Director is Mr. Jim Toal. There have been some departures from the provincial administration staff. There still are in place some members of the provincial administration staff who were there before.

We've made some budgetary adjustments that have taken the form of reductions in the area of administration and provincial program expenses, and have taken the form of expansions in the area of treatment programs, and particularly external programs.

We weren't happy with the climate that we found existing between the alcohol community and the AFM. In many cases it was no doubt, nothing more than conflicts of personalities, which can arise at the best of times and despite the best of intentions, but allowed to continue they tend to reinforce a negative atmosphere. I don't think that any government regardless of its particular political persuasion, is either in the business of, or is much disposed to persist in negative atmospheres if it can be helped.

So, we made some changes that we felt were desirable and they are as I've defined them, and I can report to honourable members opposite that there is a much healthier happier, more constructive relationship and climate existing between the alcohol community and the AFM at this time. There is still much more distance to go.

**MR. BOYCE:** Well, the Minister seems to me in a much more conciliatory frame of mind tonight than the last time we discussed an item that had some relevancy to this appropriation. When I tried to use conciliation, he accused me of political posturing. But perhaps we can continue in this vein. Could he advise us just exactly what the arrangements are as far as the administrative control of the facility in The Pas is concerned?

**MR. SHERMAN:** The administrative goal of the facility in The Pas? There is no change in objectives or goals for the facility of The Pas, Mr. Chairman. I am not sure what the honourable member has in mind. The Pas remains an active agency for The Pas health complex; an active agency for dealing with the problem of alcohol abuse; the in-patient count in The Pas 1978-79 was 225, and there were 709 persons treated in the detoxification program there, for a total of 934, and the philosophy and direction is unchanged.

**MR. BOYCE:** So it's still being administered by the hospital; is that correct?

**MR. SHERMAN:** That's right.

**MR. BOYCE:** Mr. Chairman, on this particular item, the former Minister adopted the position that the particular grants which the Minister used in presenting his budget to the government, was but guidelines. I don't know if the Minister has changed this policy or not, but of course it's his prerogative to do so. But I wonder if he could give us a list of the external agencies without the . . . you know, what amounts were set down as guidelines for the external grants in this appropriation?

**MR. SHERMAN:** Well, Mr. Chairman, I am not sure that I could give the honourable member any guidelines, but I can certainly give him the external agencies and the grants in comparison to last year; to the year just ended.

The external agencies comprise the following, Mr. Chairman: the Alcare Resort Centre, and the budgeted appropriation for 1978-79 was \$176,700, and for this year it's \$192,700; the Churchill Health Centre, 1978-79 \$38,300, 1979-80 \$48,700; the Churchill Health Centre, 1978-79 \$27,400, 1979-80 \$29,400; Fort Alexander, 1978-79 \$90,000, 1979-80 \$101,600; Fort Alexander, sorry, I may have jumped a line, excuse me. Is that Kai Zan, it's listed here as Fort Alexander? Kai Zan is \$101.6 thousand? Fort Alexander was 29.4, right? That was Fort Alexander. Excuse me. Fort Alexander was 27.4 in 1978-79, and in 1979-80 is \$29,400. Kai Zan was \$90,000 in 1978-79, and \$101,600 in 1979-80. The Main Street Project, \$352,100 in 1978-79; \$423,000 in 1979-80. Native Alcoholism Council, \$80,000 in 1978-79; \$89,200 in 1979-80. \$80,000 in 1978-79; \$89,100 in 1979-80.

The River East School Division, \$24,100 in 1978-79; \$6,600 in 1979-80. Salvation Army, \$91,000 in 1978-79; 116,200 in 1979-80. The Pas Health Complex, \$183,900 in 1978-79; \$273,100 in 1979-80. And X-Kalay, \$51,700 in 1978-79; \$97,100 in 1979-80.

Sorry for the delay on that, but these lines are jammed pretty close together. So the grant total for 1978-79 was \$1,115,200; and for 1979-80 it's \$1,377,600.00.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Could the Minister give us a breakdown of last year's budget as compared to this year's budget for the operation of Nassau House, River House, Christie House in the City of Winnipeg?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Just a second, Mr. Chairman. For patient days . . . well, can I do it this way? Patient days for Nassau House, Stradbroke House and River House — this is 1978-79 — actual patient days at Nassau House 4,632 against a maximum of 5,475, for a utilization rate of 84.6 percent. Stradbroke House, actual

**MR. DESJARDINS:** Could you give us the . . . for there, too?

**MR. SHERMAN:** 15, I think; 15.

**MR. DESJARDINS:** 15.

Stradbroke House 15 beds, again. Actual patient days 1978-79, 3,666 against a maximum of 5,475 for a utilization rate of 67 percent. River House 15 beds, actual patient days 1978-79 — 3,029, against a maximum of 5,475 for a utilization percentage of 55.3 percent.

Total actual for the three facilities — 11,327; a maximum for the three facilities — 16,425; utilization rate 69 percent.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** I wonder if the Minister has the figures and the staff yet on the budgets for those facilities. Each facility had a budget, I believe in prior years.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** I don't have it broken down by in-patient house, Mr. Chairman, but what we have is the in-patient budget total for the Winnipeg region for all in-patients and facilities in the Winnipeg region. The budget was \$468,200.00.

**MR. DESJARDINS:** Excuse me, that's for 1978-79?

**MR. SHERMAN:** Yes. In 1978-79 the budget was \$468,200, made up of Salaries \$275,900 and Other Expenses \$192,300.00.

**MR. DESJARDINS:** For 1979-80?

**MR. SHERMAN:** Well, that's 1978-79.

**MR. DESJARDINS:** Yes, what are you asking for now?

**MR. SHERMAN:** I'm sorry; this is the budgeted level for Winnipeg region in-patient for 1979-80. I'm sorry. Have we got 1978-79? No, about the closest I could come on that, Mr. Chairman, would be taking a look at the budget in total for treatment programs for the Winnipeg region but that wouldn't give a comparable . . . I don't have an in-patient component for the Winnipeg region for 1978-79; I just have a total budget for the different regions, including the Winnipeg region.

**MR. DESJARDINS:** What is that?

**MR. SHERMAN:** My officials tell me it was \$457,200 the comparable figure for '78-'79. \$457,200 that's inpatient.

**MR. DESJARDINS:** That's the whole Winnipeg region?

**MR. SHERMAN:** Well, no, it's not the whole Winnipeg region. It's those three houses — River, Nassau, Stradbroke.

**MR. BOYCE:** What I'm trying to ascertain, Mr. Chairman, is it appears to be about a 4.5 percent increase in this item, and I noticed when the minister was listing the External Agencies for example, the Main Street Project went from \$350,000 to over \$400,000 which I would agree with, nevertheless, that's a substantial increase. Where has the cut taken place if the overall increase is only 4.5 percent?

**MR. SHERMAN:** Well, essentially it's been a rationalization of services, Mr. Chairman, and a reduction on the administration and provincial programs side. I can give the honourable members comparative figures for provincial administration, for provincial programs, for treatment programs and for external programs but, just in answer to a previous question from the Honourable Member for St. Boniface, that in patient figure that I gave you the two comparative years was for River, Nassau and Stradbroke Houses, that wasn't for the Winnipeg region in total. The Winnipeg region in total this year has a budget of \$1,153,800 compared to last year's \$1,099,200.00. Well, provincial administration maybe it's best to approach it right from the top of the table, Mr. Chairman.

Provincial Administration 1978-79 budget \$226,200; 1979-80 \$238,800.00.

Provincial Programs: Directorate of Provincial Programs 1978-1979, \$408,700; Directorate of Provincial Programs 1979-1980, \$376,000; Directorate of Evaluation and Research, this also comes into the Provincial Programs component 1978-1979, \$144,700; 1979-1980, \$65,400.00. So if you

take that Provincial Programs component as a unit you're looking at a 1978-1979 budget of \$553,400 and a 1979-1980 budget of \$441,400.00.

Treatment Programs: Directorate of Treatment Programs 1978-1979, \$141,000; 1979-1980, \$143,500.00. Interlake Region 1978-1979, \$102,900; 1979-1980, \$108,300.00. Northern Region 1978-1979, \$356,100; 1979-1980, \$386,300.00. Western Region 1978-1979, \$622,300; 1979-1980 \$604,500.00. Winnipeg Region 1978-1979, \$1,099,200; 1979-1980, \$1,153,800.00. So that if you add the Treatment Programs component together as one unit you have for 1978-1979 a budget amount of \$2,321,500 and for 1979-1980 \$2,396,400 and I gave you the totals for the External Programs.

**MR. BOYCE:** When the Minister announced that they were closing the ATU at the Health Sciences Centre, he said that these people would be provided for through the facilities in the Winnipeg Region. Will this not make further demands on an already limited budget?

**MR. SHERMAN:** Well we feel, Mr. Chairman, on the basis of the tripartite discussions between the AFM and the Health Services Commission and the Health Sciences Centre that the market can be accommodated; that the out-patient market can be accommodated by the out-patient services provided by the Winnipeg facilities. The in-patient needs might not, although we have no demonstrable proof of it yet, be able to meet all the in-patient demands just on the basis of in-patient services available at River House, Nassau House and Stradbroke House, but within the AFM operations, generally, within the AFM continuum of care in the Winnipeg Region the feeling has certainly been clearly expressed by our Board, by the AFM Board in our discussions and by the AFM administration that the needs can be met.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, could the Minister tell us if there is an annual report for 1978 from AFM. I can't find it anywhere.

**MR. SHERMAN:** Well, there will be one, Mr. Chairman. It hasn't been tabled yet. It's supposed to go before the Board of Governors of the AFM at either its next meeting or the one immediately following but it will be tabled as soon as it's here.

**MR. DESJARDINS:** That's great, Mr. Chairman, but in the meantime we haven't got it and I think in previous years we always had the annual report. I wonder why we can't have it in time before we're asked to vote this kind of money to the AFM. The information that I have here, Mr. Chairman, is that there is a very large reduction of clients for both the AFM and the agencies, but mostly for the AFM. Where in 1977-78 they treated 8,533 and in 1978-79 it was 7,127 and they were asking for more money and received more money. The agencies went from \$15,282 to \$11,506 and I wonder what the reasons is for that, Mr. Chairman. It seems that there is quite a reduction on that.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, in the first place with respect to the honourable member's first point as I say the Annual Report will be coming as quickly as possible. But he'll recall that there have been many sessions of the Legislature that started later than this 1979 session started and also there have been scheduling of the Estimates. For example, the Estimates of this department were considered two months later last year than they were this year. So the AFM Board is moving with all haste to produce that report and I am sure it will be in the House before very long.

I'll have to check the 1978-1979 figures that the honourable member cites for comparison purposes, Mr. Chairman. I have got the patient statistics for 1978-1979 but if he's comparing them to earlier figures I will have to check with department officials for comparative lists because I don't have them in front of me at the moment. I'll see if I can get those.

The number of clients for which treatment service was provided in 1978-1979, that covers in-patient, out-patient, detox, counselling, motor vehicle referrals and the various medical psychiatric referrals by the Alcoholism Foundation of Manitoba facilities totalled 7,127 and by external agencies' facilities totalled 11,506 for a total of 18,633. Does that jibe with my honourable friend's figures? All right.

Then there is an additional 11,815 who received training or education service and an additional 8,012 who received or who were participants in an information seminar. The comparable figures I can only provide for the training or education service aspect or the information seminar aspect and they show the activity substantially up in 1978-1979 over 1977-1978. For example, the number

of clients for which a training or education service has been provided was 11,815 in 1978-1979 but was 9,141 in 1977-1978; and the number of clients for which an information seminar has been provided was 8,012 in 1978-1979 against 2,085 in 1977-1978. But in terms of the comparisons on the figures cited by the honourable member, I haven't got those in front of me at the moment. I'll have to try and get them.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I wonder could the Minister tell us where he gets his statistics from, who is it prepared by?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** They are gathered by each external agency and each region, Mr. Chairman, and then collated by the AFM central office in Winnipeg.

**MR. DESJARDINS:** Well, Mr. Chairman, my information is that there has been in the last year, a lot of duplication in this, and that nobody can seem to get all the figures to jibe. I'm told that if there's a staff member from the AFM that makes a lecture to a class, or if there is two of them, they added the amount of the people in the class and multiplied by two because there are two of them and they cover that as people that have been seen.

Mr. Chairman, it seems to me that the evaluation of this program is done by the AFM and I find it quite difficult to see the evaluation of something that they are doing themselves. I mentioned that in another area just a few days ago, Mr. Chairman, and I feel that this is rather unusual when you have the AFM that are giving services from the figure that I have. They're spending an awful lot more money than the agencies and there's practically no evaluation of programs. They get the figures from the agencies and that's it. It seems to me, Mr. Chairman, for the money that we are spending and the reduction that we've had from last year in the services, the lack of information, the Minister's excusing the AFM, saying that they're working as fast as they can. I don't really believe that. I think that in the month April, I think we should have an Annual Report. I don't know exactly when the Annual Report of last year came out. It seems to me that we should have that. The Minister stated that there was all kinds of horror stories, that things would be improving and it seems to me that things are going worse.

You have a group that seem to be keeping a lot things fairly secret or they can't get together on the figures or no evaluation of programs so it seems and they're supposed to evaluate the programs. I'm told that the Interlake statistics were added to Winnipeg at one time. But they asked for separate budgeting from that.

Mr. Chairman, I don't think that we have the proper information to be able to discuss this with any intelligence at all. We're asked to pass a blank cheque today as far as I am concerned. There's very little information.

As far as the Detox Centre, I think this is the biggest mistake ever. We had something that worked well. Now, Mr. Chairman, I don't see any added figure in that. That seems odd to me. I understand that this budget that we have in front of us was prepared before the decision was made to turn over the Detox Centre to the AFM. And there's no added figure, the Minister didn't give us any figure for that at all it seems. I don't doubt that they could do it with the money that they received last year. I don't doubt that at all with the reduction of the patients and it seems to me that this is the way to show that they're keeping busy, that they are going to take responsibility for from another program and this was a program that was doing well. The Minister said that he would change all this, that they would be more accountable and I think it's worse than ever.

Mr. Chairman, the Minister at one time told us that the AFM told them that they would have enough beds. Today he tells us that they probably won't have enough beds, where they would have spread them out all over the place for the Detox Centre, Winnipeg. That was one of the areas that worked well. That was some area when you were stuck that you could have somebody treated there. Now what is it going to be like? It's going to be spread all over the place without proper staff; it's not the same staff at all. Sure, they have access to psychiatrists and other staff, but it isn't the same thing, the research and the work that was done at the Health Sciences Centre. Now the Minister tells us also that the increase, every time you hear a figure about the occupancy of these beds, you get a different figure. We were told that they had high occupancy and then all of a sudden we heard the Minister give us some today that —(Interjection)— Yes, isn't that where they're going to have the beds for the treatment centre? They're going to replace the treatment centre? And what do they have? How many beds do they have in the treatment centre? Wasn't it 24 beds?

**MR. SHERMAN:** Twenty.

**MR. DESJARDINS:** Twenty? What do I have here? Maybe I've got the wrong information, they have 24 beds, Mr. Chairman, and it's going to be hit and miss. It seems that somebody that wants to justify their program are asking for another program, to administer another program, they're doing quite well. And, you know, it's the same thing, of priority, there are certain people in society that don't seem to count when you talk about priorities, and we had a good example and the same type of people, I guess, some of them, in employment for them, trying to find some employment for them.

Mr. Chairman, I'm certainly far from satisfied with the information that we were given tonight, without the report. You know, everybody should know that when you're asking for this kind of money, it is an agency, it's not run by the government. And I know of no one else who would come in without a report and ask for whatever — what was the amount — \$4 million or whatever it is, what the Minister gave us. \$4.5 million. Not even an annual report. No figures, no comparison with the reduction in pension. Mr. Chairman, I don't know if we can go any farther on that, but just take the Minister's word that it's too bad that they haven't got the report, and eventually they'll have it when this is all passed. I suppose we'll be a year behind.

Mr. Chairman, I don't know if there is a real effort to find out what is really going on there, that's been going on in this last year. I understand that there's quite a few people that have been fired or have resigned and the morale is not that good. The Minister said the morale was better. That's not the way I hear it. It's not the information that I received. Mr. Chairman, I have a concern and also this is quite difficult to explain, because I don't want to give the wrong impression, but it seems to me that here we're not dealing with a broken arm, broken limb, we're talking about people in different walks of life, different social environment. I'm talking about in here people that need treatment, and I understand that there are certain areas that it's quite difficult to have certain type of people that they wouldn't accept, and as I say, I want to make sure that I'm not misunderstood, but at times there are some people in a certain class, a certain social environment, that don't seem to find the proper care. It seems that the average are treated here, and this is good, but it's not the whole thing, or mostly people in the — particularly below the poverty line. And where there's a professional to go to get treatment, if anything. I'm not saying that they should have any preferred treatment, but they should be dealt with with people that they understand. As I say, they come from a different social environment, and I think that's very important. Because I know of some people that find it very difficult, that don't know where to go if they need any treatment. One thing they felt, at least there was this treatment at the Health Sciences Centre, and now that's gone.

Mr. Chairman, the Minister did tell us last year that they were going to cut down on that; he did say to my honourable friend that was an area that there were scandals or horror stories, maybe not scandals, but horror stories. And we don't see that at all. We see that we have less information than ever. The Minister is asking for more money, and he's asking us to vote a blank cheque. Well, Mr. Chairman, he'll have to accept the responsibility; I don't think that we have enough here to pass this and to scrutinize the Estimate as we should.

**MR. SHERMAN:** Mr. Chairman, I appreciate my honourable friend's point about the annual report, but I fail to see where his difficulty is in terms of general information with respect to staffing, with respect to beds and with respect to budgeting of these various facilities. We can provide — I can provide all the information, I hope, with respect to the total number of beds, the total number of patients, the utilization of the facilities. As I have identified in the budget we have cut down on the administrative overlay of the AFM in order to emphasize in a time of restricted budgets, in order to emphasize treatment programs and external programs and agencies. There was a reduction in external agency funding last year. Members opposite weren't very happy about it. There's an increase in external agency programming this year. As far as treatment programs go, except for the western region, again there is an increase. The reduction has come in the provincial administration and provincial program directorate and administrative area. Now, the honourable member says that there's no evaluation and research; well, there is a capacity, not only in the AFM but in the Department of Health and Community Services itself, a considerable capacity to carry out evaluation and research. Probably one of the redundancies, if there are any redundancies that one could identify in the Department of Health and Community Services generally, probably the most identifiable place where they occurred was in the area of evaluation and research. We've had evaluation and research components spread right throughout the department. There is a fully capable capacity in the Department of Health and Community Services to carry out evaluation and research for the AFM.

The agencies are in a position to carry out basic research and evaluation in their areas of operation, but we have that component in the department that can be available to the AFM as it can be available to all other components of the department, for that function, and I don't think it's necessary to have evaluation and research units in every division of the Department of Health and Community Services, whether you're dealing with a separate foundation or not. As far as the situation with respect to the ATU is concerned, I put it to my honourable friend that we have a crisis in psychiatry. We had a need for emergency psychiatric beds. There has been, as he knows — well, there's not that great a crisis here. The utilization rates on the facilities are not that high. The utilization rates in the Winnipeg Region as I pointed out are 69 percent; in the Western Region they are 72.8 percent; and in the Northern Region they are 62.2 percent. The beds are not full. The fact of the matter was that because so many mentally ill and post mentally ill patients have been returned to the community and I don't object to that, I'm not quarrelling with the philosophy of returning them to the community but they return to the community without the necessary supporting infrastructure and they wind up in trouble. And they descend upon the magnet for most medical difficulties in this region and that's the Emergency Department of the Health Sciences Centre.

We had to have an Emergency Psychiatric Facility available there. This was not a arbitrary decision made by the Minister of Health and a couple of his deputies, it was made by the Alcoholism Foundation and the Health Sciences Centre and the Commission in concert. And the clear opinion of those three parties and the AFM is an equal member in that decision, an equal partner in that decision is that we can accommodate those alcohol patients requiring ATU in the vacant, unused, under-utilized beds in the existing facilities. I don't, at this point in time, predict there will be any problem but I say to my honourable friend that if there is we'll move to meet it. We have no indication at this time that there will be any problem so I can't accept his blanket criticism that we can't deal with the requested appropriation for the Alcoholism Foundation.

He says that morale is bad. I say that the morale has never been better. We can argue that all night but I'm quite sure that neither one of us is going to change the other's mind. I know when we came in to office and before we came into office, I know from my own mail, from my own telephone calls, from my own contacts that there were tensions pulling apart the alcohol community and many of the external agencies and the AFM. I don't get those calls, those approaches, those entreaties, those pressures any more. There is now a working coalition that is much healthier, much more positive and so I stand by my assurance to the honourable member in this House that the situation has been improved. There has been a reduction in staff and it has been justified. It has been at the administrative end. If we have to work within a limited budget that's where it should be so the money is available for treatment programs and external programs. Those two have an expanded budget this year. That should make my honourable friends happy rather than disconsolate. I really fail to understand their criticism.

**MR. DESJARDINS:** Mr. Chairman, I'm not automatically happy when there's an increase in the budget. I know that my honourable friend talked about the money tree — I don't think I've ever seen that money tree. But I think we should have service. Now the Minister is saying that there shouldn't necessarily be an evaluation, two or three different evaluation components and I agree. I couldn't agree more. And it seems to me that at least this might be recognized because the Minister said the Directorate of Evaluation and Research went down from 144.7 and he's asked for 65. Isn't that an indication that they weren't maybe doing the work? And that money was wasted? And that maybe the work should be done by the department especially when you have an agency — that if this agency does the delivery of service and then also are responsible for the grants to the other agencies, are they getting the same amount of money as the other agencies or are they getting less and you know, this is the opposite of what my honourable friend was discussing this afternoon with agencies. It seems to me that the AFM is getting more money for the work that they are doing.

Also the Minister had for the Directorate of Treatment Programs in 1978-1979 he had a 141, now maybe this was the actual by the budget. From what I have here it was 182.9. There's three that I have corrections, all the rest I happen to have it right. Now there is a Directorate of Treatment Programs for 1978-1979 was 182.9 and the Minister gave us 141. Then the Directorate of Evaluation and Research was 155,196, the Minister gave us 144.7 and the Director of Provincial Programs well I have 366 and the Minister gave us 408 — those are the three areas which changed.

Now the Minister said that there was a priority and he claims, and he often does that, that he didn't make the decision alone and he mentioned the Health Sciences Centre. Well I happen to know that the Health Sciences Centre didn't like that at all. But if you tell the whole story, if you say that with the increase that they have the management, the administrators of the hospital might be, because they are forced to live within such a tight budget, that they might be pleased

to get rid of a program. But from what I understand that program, everybody thought they had a good program, yes you had that very close to a hospital, and many of those people who were in those beds, hospital beds acute were people that were there because of alcohol. And they were seen in the hospital and then given some kind of few days course to try and withdraw and I think you are going to miss that. And you know that wasn't that long ago and you can't tell me that things are improving. It wasn't that long ago that all these beds in Nassau House and these places were practically full at all time. If you'd ever go there, there was very little vacancy. Now there isn't. I think that the Minister is fooling himself if he thinks that things are going better because these beds are not occupied. Because you see a lot people who feel and it's felt that they have less service than ever before and that's my concern. And that's what I was talking about when I talked about the evaluation.

And if the Minister is telling me that the evaluation will be done by his department now, who would be more independent and who could look at the work done by the agencies and by the AFM, I welcome that. I'm not suggesting that he should have three or four different groups doing the evaluation. There must be something wrong if you feel even at the Minister's figure, I have 155.196 but he had 144.7 but even for that 144.7 to go down to 65.4 there must be a reason for that. Now if the Minister tells us, well they weren't doing the evaluation but he tells me that they were doing this well. And I don't think they were, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, the reason the Minister isn't getting these telephone calls is because I am and very little changes. In fact, I guess I was kind of fortunate to serve with the former First Minister of the province. One night before supper he gave me a letter, I used to sit behind him, he gave me a letter and he said I want you to take this letter home, I don't want you to read it. But I want you to take this letter home and I want you to draft a reply to it. And it was from one of the pundits in our society, a scathing attack on the Alcoholism Foundation in general and me personally. And it took me awhile to come down off the wall but I did get around to drafting a reply. It's still extant up in the files upstairs if the Minister is curious to read whom it was from. But I think the Minister errs when he says that he's going to accommodate these people from the ATU and CWU in the facilities of the Alcoholism Foundation. Because if these people need hospitalization they will go to the hospital. It's just as simple as that.

And there has been some changes made I am not going to get in a position — you know the mistakes that you're making are worse than the mistakes that we made. But nevertheless this is an evolving organization and it's been going through a growth period for the last four years. And we have on the record where the, you know, the Minister and how he suggested the Alcoholism Foundation is going to spend their money this year. But overall, Mr. Chairman, this is but another manifestation of the attitude of the government, relative to preventative programs. We've had it all through the Minister's Estimates, whether it's on dental care or any other health service program to the community. I was

I was sitting there listening to my colleague, the Member for St. Boniface, and the latest figures that come to mind are the ones used by Marc Lalonde about four years ago, that the direct medical cost of alcohol in our community was upwards of \$100 million in Manitoba. There has been great pressure by many people who are interested in this field to try and get the governments across the country to apportion an amount of the revenues which are generated by the sale of alcohol in dealing with some of the problems. Some suggestions that we should move upwards to 10 percent of the revenues which would make — it's better than 80 percent — or \$80 million this year, I believe. But nevertheless, there's no sense in throwing money at problems. I agree with that. But nevertheless if you're going to build something, it takes a while to get the people together to develop an organization, to shake down the rough spots and proceed. And I just happened to think, Mr. Chairman, I'd like to put on the record of the Legislature of the province of Manitoba the fact that Mr. Jim Toal is a citizen of this province, has served us as a superintendent of the police in the city of Winnipeg. He served us as an executive director of the Alcoholism Foundation. He served us as director of Remand Services, and he keeps threatening to retire. In fact I think he even functioned as a one-man commissioner of one of the problems of the former government.

But I wonder if the Minister could advise the House when the new Executive Director will be assuming office?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** The new Executive Director is supposed to take over on May 1st, Mr. Chairman, but Mr. Toal will be assisting him for some time after that in the transition, and I want to assure

the Honourable Member for Winnipeg Centre that whatever plans Mr. Toal has for early retirement are neither endorsed nor accepted by the Minister.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Well, Mr. Chairman, I think we can proceed unless some of my colleagues have further questions on this item. Because until such time as we get the annual report for '77-78 and '78-79, we really won't be able to compare the changes that the government has made. I say the government, in this respect, because I understand that it was by virtue of a Ministerial directive relative to the cutting of the River East appropriation from \$24,000 to \$6,000.00. I think that was the item which pertained to the Building the Pieces together.

Mr. Chairman, perhaps someone who has formerly served on the Board of Governors of the Alcoholism Foundation is in a position of a conflict of interest, because the Act says that the original Board of Directors as of 1956 plus any people who subsequently serve on that particular board become members of the foundation, so I just want to put on the record, perhaps there is, in that regard, some conflict of interest between the Member for Winnipeg Centre in reviewing some of the thrusts of the Alcoholism Foundation.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, the Minister stated that all I was complaining about was the annual report and that he can give us all the other information. Well then, maybe he can tell the committee as to the policy on or criteria for allotting funds that the AFM — what's their policy? What's their criteria for allotting funds? I understand that if the private agencies would receive the same kind of financial assistance, than the AFM for the people that they were treating, that their budget alone would be around \$11 million. Now, you know, the Minister — there's some information that I was given. The Minister said that he hasn't got these calls, my honourable friend says he's getting them now, and I got them for the first time lately, and things are not all that well. This was not my responsibility, so I'm not as familiar with that, but the stories given, and I'm quite concerned. Now, there's been a reduction that I've been told and the Minister didn't explain that either, a drop of over 5,000 people in clients served altogether, that's the private agencies. The AFM in patient facilities has had a reduction of clients assisted from 1,297 in '77 and '78 to 981 this year. What's the reason for that? The AFM outpatient service dropped from 4,378 to 1,547 in 1978-79. What's the reason for that?

The Minister didn't answer when I asked him if this budget for '79-80 was struck before the AFM accepted or requested that they take over the unit at the Health Sciences Centre, and where's the amount for that? You know, they're getting pretty well the same amount as last year, and they've got a new program. So where is that coming from? Now, I talked about evaluation, and I think that's very important. Has the Minister any documentation that he can share with the committee as to the success or failure to determine the effectiveness of the program? You know, this is what the committee's all about. You can bandy amounts and sums and statistics, but if the people aren't using it, because there's certainly not less people that need it these days than there have been in the past, Mr. Chairman. Is there any policy regarding the treatment and the client needs? It seems that, as I said, that the clients assisted by FDM, the facility is approximately \$788 per person, where the clients assisted by the private agencies is around \$98.

So, Mr. Chairman, there are a lot of questions that have not been answered, and the Minister is asking us now to pass this amount of money. And, I still repeat, I'm not backing down on that at all. I certainly haven't got the information. I'll have to take the Minister's word that this money is needed, and you know, we're dealing with the affair, we're supposed to be a very effective, very good management. We're told that four months is not time enough to prepare a report. We haven't got all the statistics; they seem to be — the Minister himself can't be satisfied with the evaluation, because he's changing that and he's reducing that budget.

I'm told that many of the statistics are counted more than once, that the statistics when you're dealing with the Interlake have been shown in two different places, separate budgets. So Mr. Chairman, I'm sorry but I don't want to accept the responsibility of passing this with the information that we're getting today.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well, Mr. Chairman, I just want to tell the Honourable Member for St. Boniface and the Honourable Member for Winnipeg Centre that it is because of a new data collection system and new data collection formula that has been introduced. It's almost impossible to compare the

figures precisely in terms of the budgetary allocations for '78-79 with '79-80, or even for '77-78 as against '78-79. If you just look at the pure statistics referred to by the honourable members, there is on the surface apparently a significant reduction, but they're not comparable because we found many difficulties in terms of data. We found evidences of at least a potential for duplication in data reporting, such as is referred to by the Member for St. Boniface.

We found difficulties with respect to the admissions processed and admissions recording in the Winnipeg region, so a new system was and has been implemented, and therefore the previous years' figures as against this year's figures are really difficult to compare, except for the actual budget totals in terms of dollars. If the historical statistics were adjusted and were read on the same basis, my officials advised me that we would find client loads that were approximately the same as previous years. Perhaps slightly less, but approximately the same as previous years. So part of that difficulty that the Member for St. Boniface alludes to arises from that implementation of a new data collection method, and that implementation came about by virtue of just some of the very inaccuracies and imprecise measurement methods that we felt existed, and that he has referred to.

The other point that I wanted to make was that the discrepancy that he cites between the amount that's going for AFM facilities as compared to the amount that's going to the private agencies or external programs has always been there. As he said, this is the reverse of what we were talking about this afternoon in institutional mental retardation. But the fact that for example the budget amount for treatment programs, AFM treatment programs and treatment operations for this year is \$2,396,400.00. And for external programs it is \$1,377,600.00. It is nothing new. The figures are new, but the ratio has always been there and has always favoured the AFM facilities, just looking at in that bald-faced — that one identifiable way, which really doesn't tell the true story, but just want to look at the figures, that discrepancy nonetheless, if you has always been there. There has always been approximately twice as much budgeted on the treatment program side as on the external program side. Well, why? The honourable member asked me why. It's because of the facilities that are operated by the AFM and the per diems paid and the staffing necessary. The two methods of funding and operation are different. One of them is a case of the AFM operating a regional facility. The other one is a case of the AFM making what in effect is a general purpose grant to an external program —(Interjection)—

Well, the criteria is worked out on a historical budget examination process that I assume was initiated with the birth of the AFM, some four or five years ago, when the agencies come in, sit down with the AFM and go over their budgets for the ensuing year. The criteria applied by the AFM and looking at the budget requests has not changed in the history of the AFM operation to my knowledge. Last year, the requests were limited and restricted by a fairly rigorous restraint approach, but aside from that kind of measurement, the criteria are simply: what are those agencies doing; how many people are they dealing with; what did they need last year and what are their projected service markets for this year? As you know, two of them: the Alcohol Family Services and the Alcohol and Drug Education Services, no longer — in the view of the Board of Governors of the AFM — have qualified for general purpose grants. But if you take an operation like the Main Street project, for example, the measurements are based on the experience of the previous year in terms of the cases that have to be dealt with and the reasonably accurate projections that I think one can make on the basis of experience, as to the cases one is likely to have to deal with in the ensuing twelve months.

There is always a request naturally, for a generous budget allotment by each of these agencies but it's not unusual for the AFM Board or even the office of the Minister in the Estimates process to go through those requests with a fine tooth comb and see where there can be some thinning down done. None of that has ever changed; it's the same procedure as has been in practice since the AFM came into being. But when you go beyond that to the AFM's own treatment program component, you're looking at regional operations staff then operated by the AFM.

**MR. CHAIRMAN:** 5—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, before we close as far as I am concerned, the Minister has talked all around it but he hasn't said anything about the reduction of patients, and that I think is a very important thing, and he hasn't mentioned where the money will come. Apparently, they had so much money that they can now run another centre, a centre that doesn't show here. They took over the centre from the Health Sciences Centre and the Minister hasn't said anything about that.

**MR. SHERMAN:** Where the money will come for what? For the emergency psychiatric facility at the Health Sciences Centre? It will come through the Health Services Commission.

**MR. DESJARDINS:** Withdrawal.

**MR. SHERMAN:** Well, it will come through the Health Services Commission.

**MR. DESJARDINS:** It's not shown here at all.

**MR. SHERMAN:** No, it's not shown here at all.

**MR. DESJARDINS:** Oh, okay. So there'll be more; there's another program.

**MR. SHERMAN:** That's right.

**MR. DESJARDINS:** Where are we going to study that from now on? Through the Commission?

**MR. SHERMAN:** Through the Health Services Commission. As far as the reduction in patient load is concerned, I thought I explained that to the member. He may have been in conversation with the Member for Winnipeg Centre, but as I've said, if we could adjust the historical statistics on the basis of the data collection method now used, my officials advise me that we would find that the client load, the patient load, has not decreased significantly. There might be a minor decrease but the totals are approximately the same. What has happened is, a different data collection method is being used to eliminate, to get around the kinds of discrepancies and duplications that we found existed in that method, and that the honourable member has referred to.

**MR. DESJARDINS:** You mean there's something that will correct, that will change the in-patient load; that you can't get statistics on in-patients now?

**MR. SHERMAN:** No, it's recording.

**MR. DESJARDINS:** Well, I'm talking about in-patient recording. Were they there? How many days were they there? You know, that seems simple enough. I don't know what will change that, unless somebody was fooling around with the figures.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. BOYCE:** Mr. Chairman, there was an arrangement between the City of Winnipeg and the province relative to people being held in the Public Safety Building, which kind of gets around to Bill No. 4. I wonder if the Minister could take as notice a question. It impinges upon this item, but it's not really directly related, but it was an arrangement that the Province would pay the City of Winnipeg a per diem rate for those people held in the Public Safety Building for less than 24 hours or over before they were charged actually. I think that was one of the terms of the contract to take over the operations of the Public Safety Building. It was in reference to the Main Street project that I was prompted to recall this particular aspect, but I was wondering if there had been any balancing of that account; whether the province did in fact have to pay the City of Winnipeg for keeping people in the Public Safety Building for either Bill No. 4 or prior to appearances in court.

**MR. SHERMAN:** That arrangement is still in effect, Mr. Chairman, but doesn't show in our budget, but it's still in effect.

**MR. BOYCE:** Then perhaps, Mr. Chairman, with your indulgence, the Minister could advise us under what item in the Estimates it comes under.

**MR. SHERMAN:** It would come under Corrections, Mr. Chairman, under Care and Treatment of Adult Offenders.

**MR. CHAIRMAN:** 5—pass; Resolution 66—pass.

Resolution 67, item 6. I'll just read it off and then I'll acknowledge you. Manitoba Health Services Commission, Administration—pass — the Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, I would appreciate it if the Minister could give us some figures here to balance off the figures printed showing the appropriation in 1979 as compared to what was printed

in the book last year. The very first one: Administration, is an increase from 8.4 to 8.5 and I assume that's due to the general salary increase and adjustment for that. But in the next line, the print last year showed \$65,894,000; this year the print shows \$64,149,000.00. What would account for that drop? Now, Mr. Chairman, if the staff is not here, I am not sure the Minister can answer these questions.

**MR. SHERMAN:** . . . ask him a question. The Personal Care Home Program, 1978-79 vote was \$64,149,000, Mr. Chairman. That was the 1978-79 vote.

**MR. MILLER:** Mr. Chairman, I am looking at last year's printed book, and last year's printed book showed \$65,894,000.00. Now it's true, this year, in the left-hand column, those two figures don't agree. That's what I'm trying to arrive at, because last year you indicated, you were asking for \$65,894,000; this year, when you print the 1979 request, you showed a \$64,149,000.00. In other words, there is a discrepancy between the two prints. I'm trying to get a handle on what occurred.

**MR. SHERMAN:** Well, Mr. Chairman, I'll have to get that for the honourable member, but my vote for 1978-79 is \$61,149,000, not \$65,000,000 as the honourable member indicates.

**MR. MILLER:** I'm looking at last year's vote.

**MR. SHERMAN:** In last year's Estimate Book? Yes, but I'm looking at my House Book, and the vote was \$64,149,000, so I'll have to get you the explanation for that discrepancy.

**MR. MILLER:** All right, while that explanation is being sought, could I also get the same answer to account for the print this year, under the next item, is \$260,228,000 and last year the print requested for that same item, \$269,423,000, again a difference in the print as between last year's book, last year's request and this year's book which supposedly reflects last year's request.

**MR. SHERMAN:** Once again, Mr. Chairman, as I said on the earlier item, my House Book information shows our 1978-79 vote, for the Hospital Program, at \$260,228,000, which is the item shown in the left-hand column of this year's Estimates. Now the Member for Seven Oaks is looking at last year's Estimates, right, and that was the requested appropriation as it appeared in last year's Estimates, but this is the vote as it's shown in my House Book so I'll have to get, once again, I'll have to ask the Health Services Commission for an explanation of that difference.

**MR. MILLER:** Okay, while they're looking, would they also look at the next item, Medical Programs, which last year's print indicated would be \$91,359,000 and this year is shown as \$102,553,000.00. Now the last three items are correct as printed in both years, so it's not the first item which I understand, but the second, third, and fourth items where the print here does not jibe with the print or request last year unless that indicates the actual amounts spent as compared to what was anticipated being spent. Could that be the possible answer?

**MR. SHERMAN:** Well, it might have something to do with private laboratories; I am not sure. What did the member ask me might be the possible answer?

**MR. MILLER:** Mr. Chairman, it's with regard to the Medical Program, where the print last year asked for \$91,359,000 and the discrepancy, and I'm wondering whether what you're printing this year is not what was requested, in other words year over year requests, but rather actual expenditures of last year rather than projections? Now, I can't imagine so, because these were printed before March 31st, so I'm at a loss to understand what it is.

**MR. SHERMAN:** Well, the only thing I can say about that, Mr. Chairman, is that all the way through the Estimates of my department thus far, the figures in the left-hand column of my honourable friend's Estimates Book for 1979-80 jibe with the voted figures for 1978-79 in my House Book so that I assume that all the way through we've been talking about the actual voted amount, and I will have to get him the explanation for the discrepancy that he points out as between last year's Estimates listing and this year's for those particular amounts. I just don't have the answer. Unless this has something to do with Laboratory Services, relative to the Medical, Hospital, and Personal Care Home Program. That might be the explanation but there might be another explanation. I'll get it for my honourable friend.

**MR. MILLER:** Thank you, Mr. Chairman. Yes, I can appreciate that the Minister doesn't have the information and he's right. All through the Estimates, the prints did coincide. This is the only area where there's a very great difference.

Another figure I'd like information on, is the Recoveries of last year of \$900,000 as compared to \$4,400,000 this year. There is a footnote explaining that \$3,300,000 is a direct recovery to the Health Services Commission from the Government of Canada, and it doesn't form part of the Consolidated Fund. The \$3.3 million; is that for special services which the Government of Canada pays for that is they're billed directly, or is it for some funding from previous years which is still owed to Manitoba?

**MR. SHERMAN:** That amount is for '74 and '75 adjustments to income from Ottawa, before the change-over, Mr. Chairman.

**MR. MILLER:** . . . because it's still under the old funding program, that's a direct adjustment on '74-75. You haven't got the '75-76 one, I gather. Not yet, and it will be forthcoming. Then the difference between 3.3 and 1.1 — it was 3.3 and 4.4 is \$1.1 million. What does that represent? Funding from Ottawa, or what?

**MR. SHERMAN:** No, that's all third party recoveries, Mr. Chairman, for example Autopac recoveries.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I wonder if we could proceed as we did the last few years, line by line. I think we had line No. 1, 2 and so on.

**MR. CHAIRMAN:** We are on administration.

**MR. DESJARDINS:** Yes. On administration, Mr. Chairman — I wonder if the Minister can give us the — can break it down for us, this year, the cost of administration.

**MR. SHERMAN:** Mr. Chairman, the administration costs break down the following way: '78-79 for '79-80, bank charges '78-79 were \$10,000; '79-80 \$66,000.00. Yes, that's an increase of \$56,000, which is explained as service charges for processing cheques became effective April 1st, 1978, as per approval from the Department of Finance. In prior years, this cost was entirely absorbed by the bank. Service charges for processing cheques, as of April 1, 1978 \$56,000 increase.

Building renovations, '78-79 \$5,000; building renovations \$5,000 and '79-80 \$5,000. Employer contributions '78-79 \$250,000; '79-80 \$240,000.00. Furniture and equipment, '78-79 \$20,000; '79-80 \$30,000.00. Heat, light, power and water, '78-79 \$90,000; '79-80 \$99,000.00. \$90,000 up to \$99,000.00. Maintenance of premises and equipment '78-79 \$120,000; '79-80 \$121,000.00. Medical review committee '78-79 \$25,000; '79-80 \$27,000.00. Miscellaneous '78-79 \$20,000; '79-80 \$20,000.00. Postage and express '78-79 \$200,000; '79-80 \$225,000.00. Professional consultants '78-79 \$139,000; '79-80 \$192,000.00, an increase of \$53,000 to provide for quantity surveyors related to the commission's capital program. Publicity '78-79 \$38,000; '79-80 nil. Grants in lieu of taxes — real estate taxes '78-79 \$115,000; '79-80 \$122,000.00. Rental of office equipment '78-79 \$450,000; '79-80 \$528,000 for an increase of \$78,000 to a full year of costs to Manitoba Data Services as compared to a partial year's costs in '78-79. Without this savings, a full year's cost in '78-79 would have been approximately \$650,000, instead of the \$528,000 that we're looking at. Standards approval program '78-79 \$14,000; '79-80 \$16,000.00. Stationery and office supplies '78-79 \$408,000; '79-80 \$416,000.00. Telephone and telegraph '78-79 \$81,000; '79-80 \$81,000.00. Travel '78-79 \$85,000; '79-80 \$70,000.00. Staff education seminars '78-79 \$14,000; '79-80 \$7,000.00. Total expenses other than salaries '78-79 \$2,084; '79-80 \$2,265.00. Salaries — wait, I'm sorry, just a minute. Go back to total expenses other than salaries; I'm sorry. \$2,084,000.00. '79-80 \$2,265,000.00. Salaries '78-79 \$6,488,100; '79-80 \$6,564,000.00. Total gross program costs '78-79

\$8,572,100; '79-80 \$8,829,000.00.

**MR. CHAIRMAN:** \$8,829,000—pass. The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the first item, the Minister mentioned was bank charges, and although in the totality of the administration costs it doesn't appear much, but I'm very curious about it. Formerly the bank charges and service charges of the bank were \$10,000 and now \$66,000, an increase of \$56,000 in service charges alone. Can the Minister explain what happened, and why this sudden very high escalation from a nominal charge, if you can call \$10,000 a nominal charge for banking, but assuming it's a nominal charge, to \$66,000.00. Could the Minister explain what it is and perhaps whether the Health Services Commission should be looking perhaps for another bank with which to do business that's a very very high increase.

**MR. SHERMAN:** Mr. Chairman, I don't know if I can explain it to the total satisfaction of the honourable member. It's just a negotiated figure between Treasury and the bank; the bank has tightened up very stringently and very strictly on these operations, on the business of processing cheques and as I indicated at the time, that service charge became effective on April 1, 1978. It was done as a result of negotiations between the two parties, and just like the increase in postage rates, for the time being, we have to live with it.

Mr. Chairman, while I'm on my feet, I have the information that the Honourable Member for Seven Oaks asked for earlier. The discrepancy in the print that he has in front of him for the 1978-79 appropriation in last year's Estimate book and the actual vote. It is the result of inter-departmental transfers of funds, the variance in each case results from the inter-departmental transfer of funds, and the majority of it has to do with the transfer of private lab and x-ray medical clinics to the medical program. That amounted to \$11,194,000.00. There are others that also are explained. The administration, the first item in administration, the honourable member referred to accurately; he said he expected it was a result of a general salary increase; that's correct. There was a planned conversion of hospital beds to personal care home beds, not implemented to the hospital program. That was \$1,745,000, which — that should explain the discrepancy in the personal care home amount.

Planned conversion of hospital beds to the personal care home beds not implemented to the hospital program. What that means is that they did not — they were not, in the final reconciliation budgeted for and treated as personal care home beds. If they had been, there would have been another \$1,745,000 in the personal care home appropriation. Was that then added to the hospital appropriations? So that amount was then added to the hospital program amount. The beds simply were not converted. There had been an intention to convert them, but they weren't converted.

**MR. MILLER:** Well, Mr. Chairman, I want to see whether I follow this. Does this have to do with the decision made, I think it was last year, whereby people in acute care beds who were deemed to qualify for personal care homes would be assessed a per diem rate of \$7 per day at the time? Now, is that what the minister is talking about, a conversion in that sense?

**MR. SHERMAN:** No, Mr. Chairman, the beds we're talking about here are extended treatment beds in rural Manitoba that were going to be converted to personal care, which has been the subject of ongoing discussions, probably my honourable friend was engaged in similar discussions when he was Minister of Health. They weren't converted because in discussions with the particular hospitals, the hospitals were not enthusiastic about converting them and the case just was not pressed, so they weren't converted to personal care beds, they remained extended treatment beds in active treatment hospitals.

**MR. MILLER:** So what happened, because that wasn't pursued or that didn't come to be, the minister then deducted the 1.7 million from the printed figure of last year and showed the new print figure of 64,149, so that's what occurred, in which case the hospital program should show 1.7 more. —(Interjection)— Okay. And yet in the hospital program one, we come to the print last year of 269,423,000 and a much lesser figure this year of 260,228,000. Since it should have been 1.7 higher, it turns out to be 9,000,000 less.

**MR. SHERMAN:** Well, that's correct, Mr. Chairman, but there were several items relative to that hospital figure that I should give the Honourable Member for Seven Oaks. One is the one he has referred to, the 1.745 million that came out of what we were originally talking about in personal care and went into the hospital appropriation line. Then, there was a general salary increase for provincial laboratory and diagnostic unit staff which was \$171,000; there was a transfer of nine

SMYs from Administration which was \$83,000; there was the big item which I referred to earlier, the transfer of private lab and x-ray medical clinics to the medical program, which was \$11,194,000 and this transfer of the planned conversion of hospital beds to personal care home beds wasn't implemented that I have already referred to, \$1,745,000.00. The net figure is \$9,195,000 and that should square with the discrepancy that the Member for Seven Oaks is looking at.

**MR. MILLER:** Mr. Chairman, then what the minister is saying, the large figure is this transfer of the lab facilities from the hospital program to the medicare program. This was the situation where certain works are being done in the hospital by hospital staff, now doctors' private labs are being used and therefore, it's going on the medicare program on a fee for service basis, rather than through the hospital program. Is that the explanation?

**MR. SHERMAN:** Yes, that's the explanation, Mr. Chairman, it used to be that when it was under the hospital program, we got better sharing arrangements, is that not correct?

**A MEMBER:** Yes.

**MR. SHERMAN:** But once the legislative change came in, then there was no need to show them under the hospital program, so they were transferred to the medical program.

**MR. MILLER:** Well, that may be insofar as that aspect is concerned, but on the other hand, is it not now paid on a fee for service basis in the sense that the labs are owned by private practitioners, who may have technicians doing the work but it's the doctor who does the billing? —(Interjection)— It's all right. Don't apologize for my colleague, it's his fault. I just wanted to get it straight, so what the minister is saying, that these particular services were withdrawn from the hospital and put into the medical program and that accounts for the considerable increase in the medical program costs over the print last year. But in fact, what has happened is that whereas before it was part of the hospital costs, cost-shared 50 percent, and they had technicians of various kinds doing the work, now it is the labs owned by the private practitioners, who may have technicians working for them, but in fact, the billing is done on the basis of the fee schedule which includes various tests. Is the minister satisfied that the costs are not higher with this particular program being under medical rather than under the hospital.

**MR. SHERMAN:** Well, I don't think there's any difference in cost, Mr. Chairman, we pay the labs on a fee for service basis and we always had paid them on a fee for service basis, it was just that they were shown before under the hospital program. They are now shown under the medicare program but they're still paid the same way, on fee for service. They always were paid on a fee for service basis, they're still paid on a fee for service basis, but it's just that we've showed them under the hospital program line and we now show them under the medical program line.

**MR. MILLER:** Mr. Chairman, I gather that there has been some understanding as to what is going to be discussed and that, so I'll drop this and we'll come back to it later on because it's one of the three items that I think a great deal of time will be spent on, so I'm prepared to pass this, not pass it but to just leave my comments for later on.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, before we leave Administration, can I ask the minister the staff man years for last year and this year as per the different departments.

**MR. SHERMAN:** In the offices of the chairman and executive director, Mr. Chairman, the staff man years 78-79, 7; 79-80, 7. Manpower and education, last year 7, this year 6, for a decrease of 1. In the administration division, last year 29, this year 28, for a decrease of 1. In the facilities division, last year 43, this year 43. In the insurance division, last year 229, this year 208, for a decrease of 21. In the services division, last year 277, this year 281, for an increase of 4. In the planning division, last year 22, this year 21, for a decrease of 1. In the data processing and systems division, last year 96, this year 81, for a decrease of 15. Total SMYs in Administration, last year 710, this year 675, for a decrease of 35. Salaries, excluding the services division because those are included under hospital costs, last year 6,488,100, this year 6,564,000, for an increase of 75,900.

**MR. DESJARDINS:** Mr. Chairman, in all the administration of the Pharmacare program, is that all at the Commission now? I remember at one time there was a director that wasn't at the

has that been changed, is that all at the Commission now?

**MR. SHERMAN:** Yes, it is really, Mr. Chairman, it's all there.

**MR. DESJARDINS:** Could the minister then give us some information on people on contract? I would imagine that you still have a contract for instance, a consultant where people are preparing for construction and so on, and also professional consultants.

**MR. SHERMAN:** Contract positions 79-80, Mr. Chairman, in the executive division 2; manpower and education 0; insurance 2; administration 0; facilities 2; and then the other three, planning and construction, provincial lab and x-ray and data processing and systems 0, 0, 0, in each one, none in any of those for a total of 6 contract. On professional consultants, Provincial Auditor 78-79 vote \$40,000, this year \$40,000; quantity surveyors 78-79 vote \$70,000, this year \$123,000.00. That results from the decision to go ahead on a number of capital projects and also, an increased provision for Health Sciences Centre redevelopment. Medical assessors 78-79 vote \$12,000, 79-80 \$13,000; the Dental Review Committee \$3,000 and \$3,000; Medical Appointments Review Committee \$10,000 and \$10,000; the Chiropractic and Optometric Review Committee \$1,000 and \$1,000; the Pharmacare Review Committee \$2,000 and \$2,000 and the Medical Manpower Committee in 78-79 \$1,000 and this year nil. Totals 78-79 139,000, 79-80 192,000.

**MR. MILLER:** Well, Mr. Chairman, earlier, a few minutes ago, the Minister mentioned 9 SMYs were transferred from administration, or rather were shown in the hospital program, and these were transferred from administration. I'm wondering if these figures given here do not include those 9 that were transferred to another accounting — the 9 SMYs from Administration. I believe you mentioned there were 9 SMYs for Administration to account for the differences in our figures. So 9 SMYs from administration is what you indicated.

**MR. SHERMAN:** Right.

**MR. MILLER:** And I think you mentioned it under hospitalization, the hospital program. So you are taking 9 SMYs out of Administration and charging them to the hospital program. Where there any other similar transfers of SMYs from Administration to other programs like the medical program or personal care home program, something along that line, any other transferred out?

**MR. SHERMAN:** I don't believe so, Mr. Chairman. No, the answer is no.

**MR. CHAIRMAN:** Administration—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** One last question, Mr. Chairman. We used to have the gross cost, the percentage of the Administration, which was quite low. I wonder if the Minister would give us that for the last year that he has, please?

**MR. SHERMAN:** We did have that and we do have that and it's still low, Mr. Chairman. In 1977-1978 it was 1.95 percent, this is administrative costs as a percentage of the gross. 1.95 percent, 1977-1978. In 1978-1979 it was 1.93 percent and in 1979-1980 it will be 1.81 percent.

**MR. CHAIRMAN:** Administration—pass; (2) Personal Care Home Program— — pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** I think there's been an agreement with the Minister that we would skip line 2, 3, and 4. That is Personal Care Home Program, Hospital Program, Medical Program, and finish the rest tonight. That is Pharmacare, Ambulance Program, Northern Patient Transportation Program.

**MR. SHERMAN:** That's agreed, Mr. Chairman.

**MR. CHAIRMAN:** Item (5) Pharmacare—pass — the Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, with regard to Pharmacare, is the Drug Standards Therapeutic Committee still in existence? Are they still operating as they have in the past? Can the Minister tell us what's happening there?

**MR. SHERMAN:** It's still operating as in the past. In other words, effectively, Mr. Chairman. They have in fact recently produced a new drug formulary.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Well, Mr. Chairman, then really all I want to refer to now then is this increase in the deductible, the \$25 increase from \$50 to \$75, which is a 50 percent increase in the deductible.

Now, this is a program that was designed to help people who were faced with very heavy drug use, drug prescription use — it's not drug use; it's prescription use — through no fault of their own because you can't . . . This only covers prescribed drugs. And it therefore isn't something that people take at their own whims. A 50 percent increase, in the light of the very low increase which government itself is willing to spend, seems an inordinate sum of money to me. It's typical again of this government's, well the only way I can say it, it's firm resolution to pass on any increase to the user. Because I noticed the amount of the increase shown from one year over another is \$7,900,000 last year to \$8,070,000 this year. It is just minimal. It's very very small. Postage will probably cover that.

So, as I see it, the consumer is really being asked to pay the increases which may be there or the cost increases which may be there by virtue of perhaps higher fees to the Pharmacist, which I don't begrudge. But the way I look at this, it's almost a stand-pat situation for the government but a 50 percent increase for the user, for the consumer. That's how I read these figures. Am I wrong?

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** Well it certainly wasn't and isn't a stand-pat situation for the government, Mr. Chairman. The costs of Pharmacare would have gone, this coming year, the year we are now embarked upon, up by another \$1.1 million had it not been for the increase in the deductible. The average cost per claim has gone up pretty dramatically each year since the Pharmacare Program was introduced. The dispensing fees have gone up and the average prescription price has gone up, and the average minimum cost of drugs have gone up. The average cost per claim, for example, in 1975-1976 was \$53.12 and in 1979-80 it's estimated at \$75.42.

I think it's important to point out that this is the first increase in the Pharmacare deductible since the introduction of the program, that all persons aged 65 years and older are exempted from the deductible increase. In other words, they continue simply to pay the \$50 deductible. Everybody 65 years and older is exempted from the increase and the average number of Pharmacare claims in a given year in Manitoba has reached about 110,000. It has steadily increased but it was around the 90,000 to 95,000 mark a year previous and now, in the past year, 1978, the totals are close to 110,000. That is the total number of claims. That doesn't necessarily represent the total number of citizens. The total number of citizens might be lower than that but that's the total number of claims.

Well if you take that as a claim per person even, you're looking at one-tenth of the population, the population of Manitoba being slightly over a million. You are looking at approximately one in ten Manitobans or 10 percent of the population. Then if you consider that a great many of those claims are obviously entered by elderly persons — I can't give you the precise statistics on that but it stands to reason, and I don't think that the members opposite would argue, that a great proportion of those claims would be submitted by elderly persons, who have, generally speaking, more and heavier medical needs than others — we are probably looking at 5 percent of the population affected by that increase deductible.

So I don't think that the application of the increase should be described out of proportion to what is actually happening here. We may be talking about 5 percent of the population. We are definitely talking about exemptions for all elderly, and we are talking about an excellent program that is the envy of many other provinces, that it is one of the best programs of all of our medical programs, probably one of the best in terms of function and operation, and we're talking about a continual escalation in the cost of the Pharmacare Program and the commitment that the taxpayers of Manitoba have, in terms of dollar volume, to support that program year by year.

And I don't think that it's unreasonable at this point in time, after 1, 2, 3, 4, 5 years of operation and with inflation and with the increases that I have referred to in dispensing fees and other aspects of the drug and pharmacy business, that the deductible should have been raised. I don't think that it's unreasonable that the deductible should have been raised in this way and in this amount.

**MR. MILLER:** Mr. Chairman, I don't argue with the Minister that the cost would increase in the Pharmacare Program. They are increasing in all programs. Even though the government is holding down these increases and cutting, quite viciously in some cases, but they are cutting and they are

holding it down, and they are squeezing, as they do in other programs. And in this one, they are simply saying the costs have gone up and the average claim has gone up, and more people are applying now because they are probably more aware of the program. I suppose in the early years a lot of people did not claim because they were not knowledgeable enough because it was a new program. Now it's more or less established and people are wisening up and so they are making their claims.

I don't doubt that therefore the Minister is right in saying that it would have been about \$1.2 million increase that they were faced with. Well, Mr. Chairman, I agree that they would be faced with \$1.2 million increase. What I don't understand or what bothers me is the fact that again in the face of this increase they simply turn around and say, well let the user pay it. Because to all intents and purposes this thing has only gone up \$130,000; for all intents and purposes, the consumer, the user, the citizen will be picking up the full amount of this increase, this \$1.2 million, according to the published figures here. \$7.9 million last year, \$8'070,000 this year — it's \$130,000 difference.

And what bothers me is that they have no compunction, this government, and it's certainly obvious in other areas as well, about simply saying the costs are going up legitimately but we're not going to ask the population as a whole to pay for this. It's a beautiful program but again we are not prepared. We, as a government, are not prepared to fund this in the normal way as we would a hospital program or a medicare program, no. If there's an increase of \$1.2 million we've got to charge \$25 more to the user and the user will pay for it. And I suppose next year they will say, well, there's a possibility that it will rise another \$1.2 million and we better charge another \$25.00. And before you know it, a program which the Minister himself described as one of the best in Canada — and as I recall it was quite unique when we first launched it in Canada; I think it has been copied since or partially copied — is just going to be another program, just another program.

Mr. Chairman, the fact that the Minister says well but those over 65 are not going to pay for it. You know again we come to that argument that the Minister uses, in one case he used to justify the elimination of a certain program because he said he didn't want to create an anomaly and there are people who are under 65 who had equal problems and why should they be treated differently from someone who is 64 as versus 65. Why should age be a criteria? And there are many people who hit the magic age of 65 in fact whose incomes don't drop at all, professional people, people in business, people on very high pensions, good investments, where the \$25 that they have to pay is really is no problem whatsoever.

On the other hand, there are people in their sixties and fifties who are very heavy prescription drug users and they haven't got the income. One of the reasons they haven't got the income is because they may have been so ill that they have had to either stop work or pull back considerably, and they are just making ends meet, or maybe even taking early retirement because medically they couldn't continue. And yet because they haven't hit that magic age of 65, they're going to be hit by a 50 percent increase in the Pharmacare deduction.

So the logic of this thing escapes me. And certainly the unfairness with which the government apportions this increase for this year saying we're faced with a \$1.2 million. We, the government, are not prepared to see our budget rise and therefore you, the user, are going to pay for it. They do this in so many ways. They do it in dealing with municipalities; they do this in dealing with individuals. It so, again, typifies the whole approach of this government. They are trying to get out of as many programs as they can, not by simply saying "We're going to cut the program", but simply by starving it or pushing the cost off to somebody else, to a user, to the consumer, so that over a very little while, years, more and more will be carried by the individual. And the program which the Minister got up and lauded as being an excellent program is just going to turn out to be another program and people in low incomes and people in middle incomes are going to feel a 50 percent increase.

The Minister has no compunction about standing up and saying, well, we can't go beyond 6 percent in this and we can't go beyond 7 percent in that; we just can't; it's just too tough; we just haven't got the money. But he has no compunction about saying to the average citizen, sorry, you're going to have 50 percent more and if you don't like it, lump it.

Again, it's so typical of this government and their whole approach to the health needs and the social needs of citizens, and there is nothing we can do about it except to underscore that, again, it shows very clearly the direction this government is taking in the field of health and what they're trying to do. They're trying to achieve this concept of the individual should fend for himself and stand on his own two feet, and they have no compunction about saying, as they are here, "We're faced with an increase in costs; we're not prepared to spend more money because we, the provincial government, want to look good. On Budget night, we want to announce a low expenditure. And therefore, to the extent that our expenditures are going to be low, you, the consumer's expenditures

are going to be high. And we're not going to have this program paid through the resources of the entire community. You the sick, are going to have to take on a bigger load."

This is what they're doing here so, as I say, on budget night they can look good and say,, "We're the third lowest of the lowest," or what have you, "in the country," insofar as their increase is concerned.

So, Mr. Chairman, I'm fearful that this program, which is a model for Canada, we may be seeing the first step towards it being watered down and just becoming another program which the government periodically refer to, saying, "Well, we have a Pharmacare Program in Manitoba," with great pride, but as the months and years slip by this step is the first indication. It is an indication of the direction they're going, and next year, just as they did with personal care homes and the increase there, we will see another increase here and what was once a top-notch program, an excellent program, where if anything, the movement should have been to the elimination of the 80 percent, perhaps, the 80 percent co-insurance, moving towards more and more coverage, this government is moving to less and less coverage.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, what would be the anticipated revenue? I would imagine if the Minister had told us that the increase would be \$1.2 million and the increase that we have here, the Expenditure is approximately less than \$200,000, so the increased revenue will be over \$1 million. Am I right?

Mr. Chairman, it's one good thing, at least, that there is no increase for people over 65, at least in some instances, but as my colleague stated, that's not necessarily going to help the right people. Some people because they're 65 have enough that it would be easier for them than some people under 65. They have the revenue. There is a certain class of people.

But I don't think that it's quite as good as my honourable friend states, that out of 10 percent of the population 5 percent are people over 65. I think you have to remember that their drugs are paid, aren't they? There is no change in the personal care homes. The drugs are not cost, so that's mostly people over 65 years old, and in the hospital there are people over 65 years old. And there has been a change in the government. I would say that your program is costing you less, not a little more — not even — less than last year, because you have switched the cost of people as out-patients in hospitals, the drugs were free at one time; now they're paying for it. So I would say that your program is costing you less. I think there was an increase of about \$150,000 or \$170,000 and that's going to be more than offset because of what you're shifting, a cost and it's going to cost you less.

And I would say, Mr. Chairman, that besides that, your claims are going to be reduced. There are certain people that were getting . . . For instance, I have never put in a claim. Maybe I lose the tickets, but there is not that much anyway. But there are some people, quite a few people, between 50 and 75 now that receive something, and that won't get anything at all.

Now, this is a program . . . If the Minister says that, if this is his way of thinking, well, there is an increase; if we hadn't done that, there would be an increase. Is he going to come next year and look at the medical program and the hospital program and say, "Well, you know, it would have been so much if we hadn't put in user fees." It's the same thing. The Minister said that this was a very good program and I think that it is. It wasn't exorbitant. It wasn't all free drugs, but we had it. And then the way it was put in the people still paid 20 percent of their cost once they had reached the \$50, as they will once they reach the \$75.00, but they are taking their share. Year after year if there is an increase in drugs and dispensing and so on, they were paying their share because they were paying 20 percent of an added cost and now this is being changed. So we are faced now with a program that the Minister said is one of the best programs in Canada but he is tining with it, and it's costing him less with changes and amendments. This is a program that will cost him less than it did last year. The Minister should recognize that.

Now, you can argue and you can say \$25 is not that much in a change, but it is going to change. I would say that they will have less claims. Now, that will be hard to prove because, as was stated, this was a rather new program and if nothing had been changed instead of \$110,000 you might have \$150,000, I don't know. And you might still have more \$110,000 next year but the fact is that some people, I'm sure, who were getting something for this will not collect anything because theirs will be between the \$50 and \$75.00. I think there will be some of that.

But it's the future that I'm concerned with. Are we establishing, are the Minister and the government establishing a pattern? If he can state this year, if it hadn't been for this increase, it would have been \$1.2 million more. Is he going to say the same thing next year, and will there be a new increase? The Minister said that's the first time there was an increase. This wasn't meant, when this program was prepared it wasn't meant to change. That's why, as I say, we put a 20

percent of the total cost, and every year they paid the increase on that. And now they're paying that increase and they're paying another \$25 from scratch, the first \$25, and that's quite a bit of money.

So can the Minister tell us, is this a new policy? Is this direction that we're going into? Can we expect that this will be increased from now on, the per diem in personal care homes and other costs? It would seem, from what the Minister said, that this is in fact what's going to happen. Because his first words were, "Well, if it hadn't been for that, there would be an increase of \$1.2 million." We know that this cost will increase. And the Minister and the government can change the programs, if they want, but we're concerned that it will change the programs radically and it won't be the same programs.

Remember, the Minister and many of his members of his caucus, are always repeating to us, "Well, you know what happened in October of 1977." But in October of 1977 I doubt if the people that voted, all the people — certainly some but all the people that voted for the Conservative Party — felt that there would be some change. Especially when the Leader of the Opposition and the Minister of Health kept saying, well, there is going to be better administration because the administration is bad, and all the waste that we have seen, we will be able to give you the same programs and increase these programs. And there was a policy paper by the Conservative government that stated what they were going to do for the old people and the sick, and in the field of health, and there is not one of those things that has been met so far.

So my concern is not only — and I am concerned about this increase from \$50 to \$75 — but my concern is is this a new pattern, is that a new direction that we're going? I wonder if the Minister can reassure me or tell me what will happen next year, as far as this is concerned, or in the future.

**MR. SHERMAN:** Well, it's a little difficult to predict what may happen in the future, speaking in general terms, Mr. Chairman, but I can assure the Honourable Member for St. Boniface this is not introduced or implemented as the start of a trend. It is not introduced or implemented on the basis of thinking that the Pharmacare deductible has to be increased every year. It was done out of the conditions as a result of the particular financial and fiscal conditions that we face in 1979-80.

The member will recall that we didn't increase the deductible last year. We did increase the personal care home per diem last year. So there is no counterpart. The personal care home per diem has been increased, I believe, almost every year since the Insured Personal Care Home Program came into effect. The Pharmacare deductible has not been, and certainly this was not undertaken as a means of establishing a trend, it was done as, what we felt was a fair adjustment this year, considering the increases that the Pharmacare dispensing and pharmaceutical dispensing business have created in terms of increased costs to the Manitoba Treasury.

**MR. DESJARDINS:** Mr. Chairman, the same situation could happen and will happen next year. —(Interjection)— Well, I don't know if there is money squirreled away, but as far as the Pharmacare Program is concerned the fact is that this Pharmacare Program is costing less to the government the taxpayers of the province than it did last year, when we look at everything. And the Minister is saying, well, this is not a start, but the way that he mentioned, that he said, well, it's the first increase. In other words, well, maybe there should have been another increase and there will be more, and that's a big increase, Mr. Chairman, 50 percent. So if the Minister at least is saying, well, their mind is not made up, that they're not going to go ahead with that, well, we will have to wait until next year. And I hope that this is the case. You know, this might not damage the program too much but if we keep up it certainly will be a completely different program.

Now, as far as this item is concerned, Mr. Chairman, I'd like to know if there is more monitoring. I know that there wasn't as much as I would have liked to have seen. Is there any more monitoring? Is there in that to see if there is an over-prescription of drugs? I think that this is a problem, and I'm not only thinking of saving the money, which is a big factor, but I'm thinking that there are too much drugs. There are some people that seem to be going to different doctors and might have a little pharmacy in their home, and I wonder if there is anything that is being done or contemplated to try to moderate, at least, this abuse in discussion with the College of Physicians and Surgeons in education with the medical profession and also try to see if there is any abuse; if there is a method that the Commission might have for abuse by the doctors or abuse by the patients to see that this does not exist.

**MR. SHERMAN:** We do monitor the program, Mr. Chairman. We have a pharmacist who monitors the program and who works with the College of Physicians and Surgeons on that very role.

The honourable member will recall, as I do, a newspaper report or a media report of a few weeks ago in which there was a suggestion that there was extravagant prescription or

of drugs evident in some areas of Winnipeg and Manitoba, as in many many jurisdictions in North America, and I can assure him that the department is as concerned about that as he is, and we have asked for the most efficient and diligent watch over that kind of situation as possible. We are working with the College of Physicians and Surgeons on that subject, and the college has assured us of the most diligent monitoring they can do. They will keep a continual watch on it.

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the Minister seemed to justify the increase on the theory that there has been no increase since Pharmacare was introduced. The fact is, there has been an increase annually as the cost of prescription drugs increased, as — the pharmacist's dispensing fees increased, the individual, because he's a co-insurer on this, 80-20, he did share in these increases all the way through. So it is wrong to say that over the years the individual has not paid any more towards his Pharmacare, his prescription drugs. That isn't true. The individual has paid every year, and there's been an increase in the dispensing fee, then at the end of the year, beyond the \$50, if he had a \$50 claim one year and \$60 the next year within that extra \$10, he could only claim a part of that \$10; he couldn't claim the entire \$10.00. So the co-insurance did in fact assure that the individual did pay a portion of the increased costs, whether they be of the medication itself or of the dispensing fees. So I have to reject the argument that there's been no increase at all since the program started this is the first increase. The fact is that there's been an increase every year, which the individual picked up. There's been no increase on the basic \$50.00; that is the initial amount. That is true, but I wouldn't want the Minister's statement to stay on the record unchallenged, that in fact all these years, the individual did not participate and did not have to pay more of the increased costs than from one year to the next. The fact is he did pay it, because his co-insurance obliged him to pay it. So I just wanted that to be on the record. And of course I do share, as I indicated earlier, I share the concern of my colleague from St. Boniface that this is the beginning of a totally different approach to Pharmacare than we've had in the past.

Now the other programs have increased 4 percent, 5 percent, 6 percent. We can disagree and disagree to them very much on the amount of the increase. We felt it wasn't enough. This is basically stand pat with the entire cost increase being passed on to the consumer. There is nothing here at all; there's \$170,000 which really, out of an \$8 million budget is peanuts. I suspect some of this could even be administrative costs or just the operation; nothing to do with the actual cost of drugs, and so that this is a stand pat budget at best, and maybe even a slight diminution, based on the number of claims. And this therefore to me is a signal that the nature of the Pharmacare program is being changed, and the user, the citizen, is being asked to pick up the full cost of the anticipated increase in dispensing fees and the cost of the prescription drugs. And he's going to be stuck with the full cost and this government's going to be able to say, "Well, we kept our budget down. Fiscal restraints require that we do this." They do it because they want to do it, Mr. Chairman. They want to do it because the Conservatives on that side of the House are simply wedded to this philosophy, that if you can saddle the individual, then saddle him. Let him do for himself. And if the government can get out of paying it, then they're going to do everything possible to get out of paying it, and nothing stands out clearer than this one line of Pharmacare, where the government is paying nothing more than last year, and if anything, maybe even paying a little less when we'll look at next year's figures.

And I suspect there may even be a drop. But the individual, not for him. The individual is going to be paying 50 percent more on the basic and again he'll be picking up in his 20 percent, 20 percent of the increase in cost of dispensing fees and the cost of drugs themselves.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. SHERMAN:** At the same time, Mr. Chairman, I'm reminded of a fact that I should have mentioned earlier, and that is that the individual claimant will actually, in fact, only be paying \$20 more, because of the \$25 deductible, not \$25 more, but \$20 more, because the other \$25 he would have been paying 20 percent on if the deductible had remained at \$50, so that it works out really to a \$20 increase per claimant once they reach that deductible level. Also, I might point out, that if you take the increase in the prescription fees from \$5.30 to \$7.15, you're looking at a situation where, in 1975, under the \$50 deductible, individuals paying on an average prescription basis had to pay for their first 9.4 prescriptions before benefits under Pharmacare were available.

And under the \$75 deductible, with a \$7.15 dispensing fee average, they pay for the first 10.5 prescriptions before the benefits are available. That is not an extremely onerous difference for a program that I think we would all agree is worth preserving insofar as we can from the ravages of inflation and cost escalations.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I thought I was finished with this, but the last remark of my honourable friend, you know, you can put figures in. What my honourable friend is saying is true, for the next — it's 20 percent, but somewhere there must be a reduction, because the point is this, that there's so much increase, as my honourable friend states; mind you, he compared it to '75, I think, and we were looking from year to year. The increase is this year, over one year. Now, Mr. Chairman, the fact is this, that this program, and I think the Minister is not debating that, the program is in fact, when you look at everything, costing you less, costing the government less, so you can't say, "Well, okay, they're only paying their share of the increase". They're paying all the increase, plus. Because the increase is only less than \$200,000, and that's going to be more than picked up with the free drugs in the outpatient department, so, you know, I'm sure that if the Minister can make the statement, and he's correct, there's no doubt about that, but I still state that you'll have way more less claims than you normally would have had had there been no change.

And that's where you're going to — some people were getting a certain amount of money; now they'll get nothing. And you know, the facts are there. Unless you're underbudgeting here and that you'll have to pay more than that, and that's a possibility, but if you, if this is the amount that you're going to spend, well you're going to spend less than last year.

**MR. CHAIRMAN:** 5—pass — The Honourable Member for Brandon East.

**MR. EVANS:** Well Mr. Chairman, I just want to add a few remarks to those made by my colleagues, and that is express my regrets at this move that's made by the Conservative government in Manitoba. It's part and parcel of a pattern that we see in this province, where the sick are being taxed more than ever before, where a burden, a financial burden, is being passed on to those who are unfortunate enough to have to require drugs or have to require services of the medical profession or health institutions.

I recall the Premier of this province stating during the last election campaign that Pharmacare was a good program and would be maintained. Well, indeed the program is still here; everyone recognizes that it's a good program, but nevertheless, I maintain, Mr. Chairman, I would suggest, Mr. Chairman, that there is a reneging on the part of the Conservatives of this province. A reneging, because the implication was left by the Premier of this province, during the election, that this program would be essentially left intact, that there would be no move towards imposing an additional financial burden on the people, who unfortunately have to buy a fair amount of medicine and who unfortunately are required to buy a certain amount of prescriptions, that bring them into the program whereby they're eligible for some rebate. The fact that the deductible has been increased is virtually, I would suggest, Mr. Chairman, a form of tax increase. It's symbolic. It's like a tax increase for those people who, unfortunately, have to buy a lot of prescription drugs in this province. And I say it's part and parcel of a pattern of putting a greater burden, a greater financial burden on those who happen to be less than healthy in this province.

I would also mention that one of the virtues of this whole program of Pharmacare, was to help, particularly help those people who are on low incomes and who also had to buy a lot of prescription drugs. The term has been used, "the working poor". And one problem, as the Minister should appreciate, with payments of social assistance, payment of welfare, is that those people on welfare normally have their medicines paid for, plus dentistry services and a number of other services. And the working poor, those people who are just above the limit whereby they could qualify for welfare or social assistance, look very enviously at those people on social assistance. The working poor look very enviously on those people on social assistance who do get assistance from the government in the form of free, as I understand it, free dental care and free drugs. And yet here is a program that could help those people on low incomes to cope with the cost of prescription drugs. The program, of course, is still there, but it's moved in the wrong direction, Mr. Chairman. It's moving in the wrong direction.

And again would add fuel to the envy, fuel to the fire of envy, if you will, of those people who are in the category of being in low income brackets, in the low income bracket category, who don't qualify for some of the benefits that those people on social assistance obtain. I would suggest, Mr. Chairman, that governments today should be going in the opposite direction to what the Minister's proposing and has already announced, I guess, in this program. Rather than imposing a form of tax in this area, the government should be moving towards providing greater coverage in the field of medical aids, for example. I would suggest that hearing aids should come under the program. Eyeglasses should be brought under this program, and if we want to start, we could start

with those who are 65 and over, but then extend it gradually to those who are younger than 65, in other words to the entire population.

This is the way we should be going. And you know, that's not so radical. It's not a radical idea, and I'm not suggesting either that it's something that's beyond the ability of this province to pay. Because ultimately, Mr. Chairman, it's paid for anyway. You know, we pay for these things anyway. If a person needs eyeglasses, they pay for those eyeglasses. If that person is required to have hearing aids, the person pays for that hearing aid. What we're doing in this set-up is to assist those who are unfortunately in the situation of having to either purchase drugs or to purchase these medical aids, because of some deficiency in their state of health. And what I'm enunciating, Mr. Chairman, is a principle that those people who are less than in perfect health should not have to bear an undue burden in coping with their particular situation. I say it's not a radical idea, because if you look at western Europe, you'll see that in most countries these services are covered by their health and medical system, that a person need not be deprived in any way shape or form of: medical aids; hearing aids; eye glasses; as well as medicines because of lack of income, and in fact it's just taken for granted. So we have a long way to go in this province and in this country, and perhaps on this continent, and I think it's regrettable that this government is moving in the wrong direction. It's moving in the opposite direction and as I suggested at the beginning, that this increase of \$25.00; this increase of the deductible is indeed symbolic and it's part and parcel of a pattern of the "user pay" concept — a part and parcel of the pattern of pushing the burden — the financial burden, onto the shoulders of the sick and needy in this province.

**MR. CHAIRMAN:** 5—pass; 6, Ambulance Program—pass — the Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, the Minister, in talking a moment ago about Pharmacare said: "In all the years that the program was in place, there has been increased costs and the individual had not shared in this increase", except he was wrong in the case of the 20 percent which the individual did share but he justified the increase to the consumer by 50 percent because there had been no increase in participation at the basic level by the individual.

Here is a program, the Ambulance Program, which has been in existence I think since, what, 1974, 1975? 1975. In 1977-78, there was \$1,319,000; 1978-79 \$1,319,000; now in 1979-80 \$1,319,000.00. Using the same logic, shouldn't the Minister have also therefore said to his colleagues: "Now, we can't possibly stand still on this there are increases". We know there are increases. Salaries of ambulance drivers have gone up; the cost of equipment has gone up; the service generally costs more, and we know it costs more because the City Council of Winnipeg, I believe it has now established a rate through their Ambulance Commission of what is it? Sixty dollars per call; it was \$40, and they are faced with these increased costs but the government is standing pat, so I say be consistent.

If in one case you say, the public is being asked to pay more because costs have gone up, then I say to the provincial government: Why aren't you paying more because the costs have gone up? Why should the consumer and the municipalities have to pick up the full extent of the increases over that three-year period? Why aren't you picking up your share?

**MR. SHERMAN:** Mr. Chairman, in fact we are looking at the Ambulance Grant Program, but the Member for Seven Oaks is quite correct that no increase in the grant structure has been provided for at this juncture. One can only point to the effective and efficient development of an Ambulance Program in Manitoba up to this point in time. We certainly have complete coverage in the southern part of the province. One can only point to the development of the communications system between ambulances and hospitals and link-ups of that kind that are effective and efficient, and one can only point to the fact that this was always designed as a subsidy program, not as a fully cost-shared program. I assume that if there's culpability on the part of the Legislature for not having increased these ambulance grants except for one occasion since this Grants Assistance Program came into effect on January 1st, 1975, then all of us in this Legislature who have shared the responsibilities of government at different times, are equally culpable.

But I repeat, we are looking at the ambulance grant structure and are aware that the kinds of things that the Honourable Member for Seven Oaks referred to have taken place, and that a re-examination of the structure is necessary.

**MR. MILLER:** Well, the Minister has said something but he hasn't really explained why the government isn't being consistent. Why they in one hand on one program, they can point to the user and say: "Sorry, we're going to have to tax you more because the service costs more", and on the other hand, they're saying to the consumer: "Sorry, we're not going to be paying more;

you're going to have to be taxed more again". And you know, the game they're playing is: tax the consumer. You tax them on Pharmacare, because the costs have gone up; now you're taxing them again on the Ambulance Program because the costs have gone up, and the province is not paying even one percent more; never mind trying to meet the actual increase in costs.

It was known when the Ambulance Program was first launched, that it would take some time to develop, but that the objective was to have an Ambulance Program in Manitoba, recognizing the problems in the north and the isolated communities but where possible — and surely in the urban areas — that there be an adequate Ambulance Program in Manitoba. The Minister refers to communication link-ups and so on; that is taking place, and as it's taking place you get a more effective Ambulance Program. But the government is not doing anything about participating in that program except staying with the same grant year after year.

Now he can say: "Now, why didn't you increase it in January 1977? You started in 1975". Well, the fact is, they were going through growing pains: the Ambulance Program. It hadn't fully developed. It now is at the point, in Winnipeg certainly, where it is possible to develop to have a very effective Ambulance Program, but they simply this year couldn't do what they should have done because the government simply did not want to move one penny beyond what they paid last year and the year before.

So therefore what I am really complaining about, is that this government is not being consistent. They are applying one yardstick to one program and another yardstick to another program. If you make the argument that people must share in the increased costs in one program, then surely the government must share in the increased costs in the other program to be consistent, to be honest and consistent, and you're not being consistent in this case.

The Ambulance Program is a costly program. It was known when it was launched that ambulance service is very costly, but frankly in this day and age it is a necessity and I think people would be very upset if in fact we went back to the old system where somehow you had to fend for yourself and there was no organized Ambulance Program as there is now.

The system a few years ago, where a number of ambulance companies were operating in the City of Winnipeg, chasing accidents, and that sort of thing and at that, not having a very good service, so you either had too many ambulances at one accident and nobody at the other accident. That happened. —(Interjection)— Yes, well, we're not yet at the point where we have a legal care. Some day, if you pay for lawyers as you do for doctors, you may have that problem, but right now you don't, so we're not concerned about that. But in this case certainly, an Ambulance Program is something that was conceived; it started up very slowly, knowing it would develop slowly because municipalities had to gear up for it; communities had to decide what they wanted to do and this was an attempt to get them moving. But now that they have matured to some extent, then surely the government can't simply sit back and say: "Well, there it is, we have an amount of \$1,319,000; we had that amount last year and we had that amount the year before, and we're simply standing pat". If you want to improve your ambulance services or just want to maintain, never mind improve, maintain the ambulance services and meet the increased costs, then you're going to have to do it by taxing your residents either through property tax or a combination of property tax and user tax; either/or, and in the case of Winnipeg, it's both.

So, Mr. Chairman, again I can't force the Minister to increase this amount but I think the citizens of Winnipeg are not being adequately served here; they're being unjustly treated. Certainly the municipalities that are trying to operate ambulance programs are being hard hit and they have no choice but to either increase the fees by the user or to tack it on to the property tax, which is what they're having to do at this time.

And again this government is taking the easy way out. They're getting off scot-free and they will be able to point with pride to the lowest spending Estimates in Canada or some darn fool thing. They're not saving the user money; they're not saving the citizen money; they're saving the Provincial Treasury money, because the user is still going to pay for it. There is not going to be less ambulance calls because the government is not increasing the amount here. They are simply going to transfer the cost to the individual. The individual who has to call an ambulance is going to get stuck for it. In Winnipeg, he'll be partially stuck for it because the property taxpayer in the City of Winnipeg will pick up the balance and in other municipalities, I think the same arrangement holds true.

So I'm very critical of the Minister for just standing up and simply saying: "Well, that's where it is and that's what we have to contend with, and fiscal restraint dictates that we can't increase it". Mr. Chairman, they can't increase it because they don't want to increase it and that's the story of this government all the way through. Decrease where you can; freeze where you can; stand pat where you can.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I don't want to repeat what has been said. These Estimates have been taking quite a while as it is, but I want to ask a question of the Minister before he answers my friend from Seven Oaks.

There has been a change in part funding in the health care by the city, the grants, there was a certain amount of grants, and this year that has been transferred somewhere else. We haven't talked about that. We'll probably talk about that at the Minister's Salary. —(Interjection)— I know, but I want to ask the Minister a question on Ambulance. As there are problems with the ambulance, or the increase; has that been taken into consideration when this change was made in the amount of the block funding with the City of Winnipeg?

**MR. SHERMAN:** No, Mr. Chairman, the ambulance grant is independent of the block fund for the City of Winnipeg.

**MR. DESJARDINS:** Excuse me a minute. I see no increase here now. What I want to know is, is this standing on its own merit? The Minister and the government are saying: "No, there's no increase in this program", or could that have been taken into consideration in the lump sum that they gave the City of Winnipeg to prioritize and so on? Did they say: "Well, we won't give you an increase on the Ambulance Program but we're giving you a certain lump sum"? Has that been taken into consideration at all?

**MR. SHERMAN:** Nell, in all candor, Mr. Chairman, I would have to say no. The ambulance situation in the City of Winnipeg, standing on its own, was not taken into account in the block fund although there are no strings attached to the block fund and the city can do what it wants, but the Ambulance Program stands on its own and independent of that.

Just to the Honourable Member for Seven Oaks, he talks about yardsticks and not applying the same yardsticks, well, we're not dealing with the same kinds of programs; different yardsticks for different programs, surely. We're not talking here about an insured service; we're not talking here about a cost-shared program; we're talking here simply about a subsidy. We're also talking about the debt and the deficit of the people of Manitoba and it's all well and good to talk about user pay and the fact that the taxpayer of the municipality is going to have to end up perhaps paying more for his ambulance service.

But because of the fact that the budget — the total provincial budget — is being contained, and being controlled, he's not going to be paying additional interest rates on the debt and deficit of the province. So you can't have it all one way, there are savings being achieved, that will reflect themselves in the burden that the taxpayer is carrying.

Further to that, we don't get all that many complaints from municipalities about the ambulance support system. The two basic municipalities that have expressed some anxiety and concern from time-to-time are Brandon and Winnipeg, but there are 69 others. There are 69 others in which we have ambulance programs operating that have not expressed any concern. I almost hesitate to say that in case that invites their reaction, but it is not as phrenetic a situation as the Member for Seven Oaks would have us believe.

**MR. MILLER:** Well, Mr. Chairman, sure he's not going to hear from some of the other areas, but he's got to realize that between Winnipeg and Brandon you've got 60 percent of the population, and there is where he has been getting some flack, and some pressure, and when he talks in terms that the provincial spending is going to be contained and therefore the provincial budget is going to be contained, yes, I agree that is what they are trying to do. But they don't seem to be concerned about the municipal budget, and the cost to the individual, and they are saying, "Well, if we contain our budget then our deficits will be less and therefore our public debt will be less," but what about the problems that the city has? Because they have the problems; they've got capital costs involved here too, which they are amortizing over a number of years. They didn't acquire an extra ambulance this year, because they simply felt that it couldn't be done with the kind of assistance being frozen at the provincial level, they couldn't afford, they felt, to put out the money for an additional ambulance and the upgrading of some of their present equipment. So when the Minister talks in terms of the fact that this is all the money they have, and they don't want to spend more than they have, etc., I might remind the Minister that it is his government that chose to give up certain revenue, and now that you've given up the revenues, you are trying to make it up by passing the extra costs on to the user, or to the municipality. That was a decision you took, so don't say to me, "Well, we don't have it, because the revenue won't cover the expenditures." It is because you chose to give up revenue, that that has occurred; if you hadn't given up that revenue, then you might have been able to increase this.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** Yes, Mr. Chairman, I wonder if the Minister could tell us what percentage the province is paying this year — and this may be an estimate this year — as a percentage of the total cost of ambulance service in the city of Winnipeg; and as a percentage of the total cost of ambulance service in the city of Brandon? I'm particularly interested, if he can't provide an estimate for this coming fiscal year — because I know it would be an estimate — could he provide us with those percentages for the year 1978, and also for the year 1977? What I'm suggesting, Mr. Chairman, is that the staff should have some idea what those cities are paying towards ambulance service, and they should have some idea therefore what percentage of the total cost of ambulance service in those two respective cities are paid for by the province?

I would assume that inasmuch as the government is maintaining a level expenditure here, that is no increase, and as my colleague from the constituency of Seven Oaks has stated, inflation is with us; wages are going up; certainly the cost of gasoline is going up; generally the cost of the purchase of the ambulance equipment is going up; inflation is hitting this program as it hits all programs; and therefore I would assume, by logic, that the province of Manitoba therefore is now paying a smaller percentage of the total cost of the ambulance program in the city of Winnipeg and in the city of Brandon, not to speak of the rest of the province. But for those two cities, could he provide us with an estimate of the percentage payment made by the province in the year 1977 and 1978, and an estimate for 1979, if that would be possible?

**MR. SHERMAN:** Mr. Chairman, I don't know that I can give the honourable member the cost of ambulance services in Winnipeg or in Brandon. He might get that from the Minister of Urban Affairs, but we guesstimate that the cost of ambulance services in Winnipeg is somewhere between \$2 million and \$2.5 million. Our ambulance grant to the city of Winnipeg is \$617,000, so the province is paying about 25 percent.

Now, I can't guarantee him that the same percentages apply in Brandon. The per capita grant in Winnipeg is \$1.10, and the per capita grant in Brandon is higher than that, but I'm not sure exactly what it is. But if you estimate it, since the grants range from \$1.10 to \$1.65, if you took the median and said the grant for Brandon was \$1.35 on a population of 33,000, we'd be looking at about \$44,000 for Brandon from the province. Now, what Brandon's total ambulance bill is I don't know, but there's no question that the costs in Brandon and Winnipeg, that the cost of ambulance services are going up and are higher and are going up more rapidly than the costs in rural municipalities, because it is a voluntary service in those other municipalities. But on the other side of the coin, let's also recognize that much of the problem and much of the difficulty for an ambulance service, is long hauls, long travel distances, which the rural municipalities encounter or the outlying municipalities encounter, and Winnipeg and Brandon don't.

**MR. EVANS:** Well, could the Minister advise whether either of these municipalities have made representations with respect to the diminishing percentage support by the province, or is it in the case of Winnipeg a matter of this support being buried in the block funding approach? —(Interjection)— Oh, it's not part of the block funding, so I would be interested in knowing whether representation has been made by these two cities with regard to the diminishing support for the ambulance program by the province?

**MR. SHERMAN:** I don't recall representation based on the argument that the percentage participation by the province is declining. We certainly have had representation from Brandon and Winnipeg for expanded grants, or for a different form of support altogether.

In Winnipeg, the pressure has largely taken the form of a request for the province to take over the Winnipeg ambulance system entirely, but I don't recall that it has ever been broken down to an argument that has said that here is a demonstration of how provincial percentages in terms of participation have been declining.

**MR. EVANS:** Mr. Chairman, we'll have to try to get the information, perhaps if not through the Department of Urban Affairs, perhaps directly from the municipalities involved. But, it's obvious, here's another example of a financial burden being transferred from the provincial level to the shoulders of the municipal taxpayers.

I know a lot has been said about Proposition 13, that is the famous or infamous Proposition 13 passed in the State of California last year, which was tantamount to rebellion by the taxpayers with regard to the level of taxes. But I don't know whether honourable members on the government side realize that this opposition to taxes was essentially an opposition to municipal taxes. They were very concerned about the inordinate growth of the municipal tax structure, that burdened on

the municipal taxpayers; and of course what's happened with the passage of that proposition, is that the State of California has had to move in and take over and pay for a lot of the costs that were previously paid for by the municipality. So I would like to remind my friends opposite, that the rebellion — if you will — by taxpayers, was a rebellion against inordinate increasing property taxes, and fortunately in this province, at least up until now, the government of Manitoba has, in its wisdom, brought in a number of programs to alleviate the burden on the municipal taxpayer; and of course this is one example, the ambulance program is only one of many programs that the previous government introduced to assist the municipality. And, of course, the best example I suppose is the Property Tax Credit Scheme itself, that total scheme itself. But there are many many other programs that we introduced that assisted the municipality in coping with the problems of this late twentieth century in which we live, and the problems that we have.

Certainly this is an excellent type of program, but here again what I'm concerned about is the deterioration of the service, because we're foisting on the municipal taxpayers additional costs, and certainly the municipal taxpayer already believes that too many services are being paid for by property taxes, that perhaps should be paid for through other sources — general taxes, sales taxes, income taxes, or what have you — and I guess this is what the debate, I suppose, on education funding is all about, the fact that my friends opposite recognize that the cost of education should be assumed in greater proportion by the province as opposed to the municipal level.

**MR. CHAIRMAN:** The item under discussion is Ambulance Program, and I was allowing quite a bit of latitude in comparison, but I think that we're completely getting off the subject. The Member for Brandon East.

**MR. EVANS:** Well, thank you, Mr. Chairman. I simply make the point that this ambulance program is a program that is very worthwhile and it is very unfortunate that there may be — I don't know — but there may be some deterioration take place, perhaps it is taking place already, I don't have all that information, because of the lack of support by the province of Manitoba. Given the fact that inflation is running at 8, 9 percent, in fact it was running higher than that last year, there's no question that in real terms, in real dollars, in real resources, the municipalities of Winnipeg and Brandon, not to speak of any other municipality in this province, are being forced to acquire a heavier burden in order to provide this service to their people.

**MR. CHAIRMAN:** (6)—pass; (7), Northern Patient Transportation Program — the Honourable Member for Roblin.

**MR. J. WALLY MCKENZIE (Roblin):** I hate to come in at this late hour, Sir, after listening to the debates in the other Committee and trying to solve the problems, or listen to what the problems were; but I'm wondering, under this item, that I may be out of order, but because of Northern Patient Transportation Program, I'd like to bring in the problems of part of my constituency which is the area between Dauphin and Swan River a long, historical problem of total health neglect from members opposite — eight years. I don't know of any program that the Honourable Member for St. Boniface put into that area to try to help those people, but I'm most familiar with, Mr. Chairman, the Member for St. Boniface being very close to the Hryhorczuks family, who were great Liberals of those days.

**MR. DESJARDINS:** Just tell me the page last year, and I'll read it.

**MR. MCKENZIE:** And having known from his Liberal background the problems of that area, and trying to understand my many letters and my many speeches in this House, is why that jurisdiction — sure, they're ethnic people but by God, bless their souls, they're good people and they don't deserve a second-rate health delivery system in this province, ever — I apologize for the fact that I was not elected to that part of our great province until the late part of my political career, but the problem is still with me today. I am happy to announce to the Committee that this Minister of Health that's sitting down before the Committee today is the first Minister of Health that has visited that jurisdiction in some 20 years.

So that community and those people have great hope for the future. At least there is some government or some Minister that's listening or trying to listen to those people who are from Indian, Metis ethnic backgrounds, people of courage, dedication, and are looking for some way for a transportation system . . .

**MR. CHAIRMAN:** Order please, order please. Could I ask the honourable member to note that we are on Item (7) Northern Patient Transportation Program and if there would be some reference to the Transportation Program I would allow the honourable member to continue. The Honourable Member for Roblin.

**MR. McKENZIE:** Well, Mr. Chairman, if your hearing aid is not working properly, or I should maybe speak in Francais, I just mentioned a Transportation Program because of the policies of the former government, who were not even prepared to put a health nursing station in the area, and we don't have the best ambulance service in that area. Either a patient gets sick, Mr. Chairman, in Ethelbert or Camperville or Slater or Cowan or Duck Bay or Ethelbert or Pine River or Mink Creek, they have either got to an ambulance from Dauphin or Swan River.

And I'm not sure, Mr. Chairman, who made the statement the other day, but apparently it was somebody out of the Health Services Commission that made the statement on CKY television or radio that the . . .

**MR. CHAIRMAN:** Order please. The Honourable Member for St. Boniface on a point of order.

**MR. DESJARDINS:** Mr. Chairman, would you inform the Committee if you have ruled that the Ambulance Program has been passed? I thought that we were on Northern Patient Transportation Program.

**MR. CHAIRMAN:** Item No. (7) is Northern Patient Transportation Program. The Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Chairman, I have to apologize for the ignorance of the Honourable Member for St. Boniface. If it's Camperville, it comes under Northern Affairs. —(Interjection)— Well, what is northern? A part of my constituency is under Northern Affairs and a part of it is not under Northern Affairs. Now, if the Honourable Member for St. Boniface wants me to sit down, I will sit down.

**MR. DESJARDINS:** I don't make the rules. I'm not the Chairman. But you made the same speech last year.

**MR. CHAIRMAN:** (7)—pass — the Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Chairman, this is typical of the Socialist philosophy and the courage of this former Minister, and the way he handled the department when he was Minister. That's exactly the way he handled it, using excuses, alibis, tricks of his long political career in this House to deny the people that I represent of a health delivery system. I don't know why. It likely was because the Highways Minister used to sit over —(Interjection)— I never got no roads.

**MR. CHAIRMAN:** Is the honourable member speaking on the point of order? The honourable member on the point of order.

**MR. McKENZIE:** I'm trying to prove that I have the right to speak under this item, Mr. Chairman, if you'd permit me. Because in those days the former Highways Minister never built no roads in my constituency; he built them up to the boundary of my constituency, then the roads stopped. The former Health Minister never provided no health services in my constituency at all, as far as I know, and I think I have a point, Mr. Chairman, and I'd like to be heard tonight.

**MR. CHAIRMAN:** To the honourable member, who states that he has a point, I'm waiting to hear the point. The Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Chairman, I would like the Minister, if he would, for the first time in history of that great area between Dauphin and Swan River, if there is a chance under this government, which I knew was impossible under that government over there, for just a little health clinic in Ethelbert with a nurse or some professional person, or an ambulance . . .

**MR. CHAIRMAN:** Order please, order please. The item under discussion is Transportation Program not Health Clinics. I would bring that to the honourable member's attention. The Honourable Member for Roblin.

**MR. McKENZIE:** I will not raise it again.

**MR. CHAIRMAN:** Fair enough. Item (7)—pass — the Honourable Member for St. Boniface.

**MR. DESJARDINS:** Well, Mr. Chairman, could you give us a ruling? I am ready to answer the honourable member, who has made some accusations. I felt that we certainly had been following the lines quite closely tonight. I think that you brought one of our members to order, and I think you were right, and I want you to rule. I am ready to answer. I can give him the same answer as I answered last year, and I got the answer from the Manitoba Health Services Commission, because he is making the same speech but he is making it in the wrong place. If he wants to make it under the Minister's salary, if he's missed it, that's fine, or we still have to deal with hospitals. That could be done; the member might not know this. He just came in. He doesn't know that we skipped over hospital and personal care homes, but I'm ready to go by your decision, Mr. Chairman. Should I answer the member at this time, or should I stay on Northern Patient Transportation program? It's up to you.

**MR. CHAIRMAN:** To the Honourable Member for St. Boniface, we are under discussion of Northern Patient Transportation program, and the Honourable Member for Roblin was brought to order, because he swayed from the topic.

**MR. DESJARDINS:** All right, fine, Mr. Chairman. What I want to know at this time, I think this is a little different program than the ambulance program. The ambulance program, the Minister could state and he stated, and it could be argued that he was right, but this was not a cost-share program. It was more of a seed money, and so on, but the Northern Patient Transportation is something else. This was a program that we reviewed just the last year that we were in office, Mr. Chairman. There was a committee and I think they did very good work. Their recommendation was very good. Now, the first question that I want was that money spent last year, that \$1.2 million? Mr. Chairman, I wonder if I can get the attention of the Minister? Was the \$1.26 million spent last year? Was that spent or did we . . .

**MR. SHERMAN:** No, I was listening to the honourable member, Mr. Chairman, but I was also trying to check a point with one of my officials. It appears that we will be slightly underspent in this area this year, and the honourable member is quite correct when he says from the printed Estimates, there doesn't appear to be any increase. We're anticipating that the vote being asked for this year will provide us with a 5 percent cost increase over the estimated actual, but just let me check this point with my official, if I may for a minute. Are we talking '77-78 or '78-79? I just want to clear a point there, Mr. Chairman, because there was some discrepancy as between dates, '77-78 and '78-79, but I'm advised that we will be underspent for '78-79, and that the appropriation being sought from the Legislature for '79-80 represents a 5 percent increase over the '78-79 estimated actual expenditure, in this particular program area.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Could I ask the Minister if he has the figures, were we underspent also in '77-78, Mr. Chairman?

**MR. SHERMAN:** I don't have that information, Mr. Chairman. We took this program over in 1977, September of 1977. Prior to that it was under Renewable Resources and Transportation Services. We took it over, the Health Services Commission, Health and Community Services, in September of '77, so I don't have a comparative figure. I can check with what was Renewable Resources and Transportation Services, but I've got it for '78-79. I have it for '78-79, but you're talking about '77-78, and I don't have it for '77-'78. .

**MR. DESJARDINS:** Mr. Chairman, what I'm driving at, it seems to me that I remember that figure. I want to go back to approximately the time that the Department of Health took it over. I think that that program got away from us, and then there was a committee that was named to investigate this and to see what could be done. There was an increase in service, well some of the services were granted, although it was felt that that wasn't the intent of the original program, and that was modified somewhat, and my main concern, I want to know if there is any curtailment of services. If not, if we were underspent, it might be that the recommendation of that committee for the balance of the year '77-78 — I think it came to a complete year, a full year, to this amount that we have now. I can't argue if the amount is sufficient. All I want to know is, has there been any reduction

of the program, because that was a program to cover the whole region, and I want to know if there is any curtailment, or will this amount of money that we're voting today, will be sufficient to pay the increases and keep the program at the same level. Not necessarily increase it, but keep the program at the same level as we had it since we made this change and since it came under the Department of Health. That's my only concern.

**MR. CHAIRMAN:** The Honourable Member for Roblin.

**MR. McKENZIE:** I'm not going to let the great Member for St. Boniface or members opposite talk me down. I know the Member for St. Boniface doesn't need a microphone . . .

**MR. DESJARDINS:** Mr. Chairman, on a point of order.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface on a point of order.

**MR. DESJARDINS:** Yes, Mr. Chairman, you made . . . Mr. Chairman, do I have the floor?

**MR. CHAIRMAN:** I've acknowledged the Honourable Member for St. Boniface on a point of order.

**MR. DESJARDINS:** Well, on a point of order, Mr. Chairman, there is no way that the Member for St. Boniface or any other members from this side of the House or on the other side of the House have tried to prevent my honourable friend from speaking. He came late in this committee. We have been following a pattern that everybody accepted, that we stay from line to line, and he brought in other points that you ruled out of order, and it's not the Member for St. Boniface, and I certainly will not accept that I've tried to prevent him from speaking, because this is not the case and he knows it and you know it, Mr. Chairman.

**MR. CHAIRMAN:** I'm not sure what the Honourable Member for Roblin's point was, at this point. I would like to acknowledge the Honourable Member for Roblin.

**MR. McKENZIE:** Mr. Chairman, can I ask if you knew what the Member for St. Boniface's point was? Mr. Chairman, I know there are days and hours that the Honourable Member for St. Boniface doesn't need a microphone. You can hear him down on the corner of Portage and Main. He's used those tactics over the years in this House to destroy little guys and make me from a little constituency in Roblin, away out in the north, representing Indian-Metis people, which he never looked after when he was Minister. Basically done nothing for them. I'm just going to ask, not him, but the Minister, and of course, he still thinks he's Minister, and that's the tragedy that we've had in these Estimates of Health. We've gone on for 50 hours last year. I suspect we'll be 100 hours this year, Mr. Chairman. They still think they're government over there. He still thinks he's the saviour of the world. Look, he was a Liberal. Anybody that has worn more political coats than that Member for St. Boniface, I'd like him to stand up and put them on. But let's get back to the item . . .

**MR. CHAIRMAN:** Order please. The item under discussion is Northern Patient Transportation Program. I fail to see the association at this point. The Honourable Member for Roblin.

**MR. McKENZIE:** That's what I'd like to discuss, because part of my constituency, as I related earlier, Mr. Chairman, comes under Northern Affairs. The village of Camperville. I'm sure the honourable former Minister and this new Minister know the problems of transportation of patients, either to Swan River or to Dauphin from Camperville. Taxis. And if you want me to get into that field, and the cost of that type of health delivery system, I'd like to spend the rest of the night and try and get this former Minister to reiterate what he did to solve that problem. He absolutely has done nothing. It was raised many times, discussed and not at all. It's a big bill, it's a big bill to the taxpayers of this province.

Now, I'm proud to say as I've said earlier, if the Member of St. Boniface will give me a chance to put my remarks on the record, this Minister of Health has been in Camperville. I can't recall, Mr. Chairman, to the best of my knowledge, if any minister of that government ever visited the village of Camperville. —(Interjection) — Well, I would like to have the day, time and place if the former minister was there, I doubt it very much because if he was there, he certainly never notified me, because I'm the MLA and generally the rules of this House is that if a minister is going into a certain area, when it's not an election, then he notifies the local MLA that he's going in the area and he takes him with him. I can't recall to the best of my knowledge any time the great Member

for St. Boniface, that great Liberal of the past era, that great historic seat, the former Liberal seat in this province, Ethelbert, where the Rryhorczuks and all his Liberal friends were there, waiting for him . with open arms, to try and solve their health problems, he never showed because the Hryhorczuk family told me. Once he put on that NDP mantle, he was ashamed to knock on the Hryhorczuk's door. And he should be, but nevertheless, let's talk about Camperville. I'm pleased to say, Mr. Chairman, that the Minister of Health that's before us tonight, our minister, my minister has had a message from the people of Camperville asking if it's possible for us to establish a health clinic in Camperville. Something similar to what we're proposing for Ethelbert, to try and save these transportation problems and these huge costs of transporting. If somebody's ill tonight in Camperville, it's a matter of calling a taxi, a taxi, Mr. Chairman. to either transport that patient to Swan River or Dauphin. That's the closest doctor.

Now, we're talking about this Seven Oaks Hospital and this \$37 million or whatever the dollars are, they've expended —(Interjection)— well, these are still people, my God, they're the people that I represent and they're good people. They're honored, dedicated Canadians and respect the citizens of this province and why, in the wisdom of that government over there, couldn't they have taken even \$500,000 of that Seven Oaks project, Mr. Chairman, to try and solve a few of these problems of that great area between Dauphin and Swan River. But of course, I know the reason, Mr. Chairman, because I was the MLA up there. They didn't like me, didn't like me because I was their MLA and this former government said, " They're not going to do anything," and they didn't do anything, absolutely nothing. So, I'm just going to ask to put that on the record if this Minister of Health can see in this item that's before us, if there is a hope for those people in Ethelbert and Camperville to have some way to solve that enormous bill and the enormous social problems and economic problems of those people. Good people, who when somebody becomes ill in Camperville, Duck Bay, Cowan, Slater, if somebody becomes ill, would it not be better for them to have a little sort of a health clinic with a couple of nurses and somebody could check the patients and see if he could be looked after, or should we put him in a taxi or put him in an airplane and fly him to Dauphin or Swan River?

**MR. CHAIRMAN:** (7)—pass — the Honourable Minister.

**MR. SHERMAN:** Mr. Chairman, let me just say to the Honourable Member for Roblin, yes, that need is being addressed by the Health Services Commission and my office, and like many other problems in the health field, solutions don't come easily, but we are attempting to provide some kind of service in that area. On the questions raised by the Honourable Member for St. Boniface, Mr. Chairman, there is no change, there is no curtailment, there is no reduction in the Northern Patient Transportation Program. What has happened though, is that as of the changeover that took place in September, 1977 when the commission took over the program, the funding was apportioned as between that amount that's administered directly by the commission for payment of emergency transport and that amount which was transferred over to the regional authorities for administration of that portion of transportation that relates to non-emergent cases. In the case of the amounts we're looking at here, \$1,260,000, we're looking at \$510,000 administered directly by the commission for emergency transport and \$750,000 administered by the regional authorities for the non-emergent transportation. Those regional authorities are under the aegis of four local committees located at Thompson, Flin Flon, The Pas, and Churchill and those committees decide on the spending priorities for that portion of the fund that's set aside for the transport of certain elective cases.

Now, there was a cutback in terms of just comparison of printed figure for printed figure in 1977, because surpluses were made available to those regional authorities. Now, if they have surpluses, they can use them for other related purposes such as bringing specialists up into their areas, that kind of thing. But the general answer to the Honourable Member's question is that the program is continuing uncurtailed, undiminished and unchanged, except for that administrative change in '77 that I've referred to.

**MR. DESJARDINS:** Mr. Chairman, is the commission or the program more successful in collecting the bills from the federal government than some of the — this transportation or is there still a problem? I'm not talking about cost-shared or grants or anything like that, I'm talking about when it was ordered and it should be paid by the federal government and we had trouble doing that, and also, there were some areas where I think there had been a contract with some of the different corporations or businesses and so on, that they were paying for their employees and that has been difficult to collect. Has there been an improvement in this?

**MR. SHERMAN:** We have experienced an improvement, Mr. Chairman. There have been problems as the honourable member knows, there are still some problems, but we are achieving a better

response from the federal authorities and certainly the situation has improved.

**MR. MILLER:** With regard to this last matter, this last question, the federal recovery, the money, does it work this way, that the program takes people and flies them into Winnipeg if they have to or wherever they have to fly them in and bills the federal government. The federal government then pays the commission or the regional authority or do they go to the Provincial Treasury?

**MR. DESJARDINS:** Does it stay with the program or go to the general revenue?

**MR. SHERMAN:** I don't know the answer for a minute, Mr. Chairman. . . . go to the regions, Mr. Chairman, go to the regional authorities. —(Interjection)— That's right.

**MR. MILLER:** All right, so it's not part of the 1.1 recovery that we were talking about before from the federal government. I see, so, it stays within the region, they collect it themselves from the federal authority. Mr. Chairman, the minister indicated a 5 percent increase, does he feel that this 5 percent will in fact, cover the increased costs because there have been considerable increased costs in flight travel? Is there a greater utilization in this program or has it levelled off, that is the number of people who have to fly into Winnipeg or fly in from some outlying area to Thompson or Flin Flon or what have you? Has the program sort of matured and levelled off at this point?

**MR. SHERMAN:** The patient volume has pretty well levelled out, Mr. Chairman. Some patients are using diversionary transportation modes, they're not in all cases being flown, where it's possible to transport them by other means. Yes, they are transported by other means.

In response to the honourable member's first question, yes, I think the 5 percent coupled with the surpluses will provide the necessary funding for the increased costs in the program, because one must recall — keep in mind that we're not talking about the emergency services here. Emergency service, whatever they are, those bills are picked up by the federal government.

**MR. CHAIRMAN:** (7)—pass; committee rise. Call in the Speaker.

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

### IN SESSION

**MR. DEPUTY SPEAKER:** The Honourable Member for Radisson.

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina, that the report of the Committee be received.

**MOTION presented and carried.**

**MR. DEPUTY SPEAKER:** The Honourable House Leader.

**MR. JORGENSEN:** Mr. Speaker, I move, seconded by the Minister of Health that the House do now adjourn.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:30 tomorrow afternoon. (Tuesday)