



ISSN 0542-5492

Fifth Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

30 Elizabeth II

*Published under the
authority of
The Honourable Harry E. Graham
Speaker*



MG-8048

VOL. XXIX No. 41B - 8:00 p.m., THURSDAY, 19 MARCH, 1981

Office of the Queen's Printer for the Province of Manitoba

LEGISLATIVE ASSEMBLY OF MANITOBA
Thursday, 19 March, 1981

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY
SUPPLY — HEALTH

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. We're on Line 2, Personal Care Home Program. The Member for St. Boniface was speaking as we adjourned so I will call on him.

MR. LAURENT L. DESJARDINS: Yes, Mr. Chairman, I was saying that the Minister made a point to say that he wasn't the Minister of Labour and I agree and my concern at this time certainly was not with management and the workers as far as settling their differences. I'm not saying I'm not interested, I very much hope that they would do that pretty soon, but my main concern now is the standard and the health care that these people are getting. Now something is wrong, and I would think that the Minister would realize that if his people, from what he is saying, are saying, well things aren't perfect but it's okay, and everything that we hear seems to claim the opposite.

Now somebody is mistaken or somebody is falsifying reports or somebody is lying. It's as simple as that because it can't be that there is that much difference. I personally would never take the word of the operator of this nursing home and I will say this outside the House, in the hall, anywhere, without any fear at all, and I would spend some time briefing the Minister about this past operation, about the man, if I wasn't positive and sure that this has already been done because I know how the members of the Commission felt in those days and I can't see where there has been any improvement at all.

Mr. Chairman, the critique that I had mostly is that this is the only place where we can discuss on an equal footing with the Minister and the government, when we ask questions, we're being yelled at, to just ask a question, the Minister can make a statement, then the press will get a hold of him and there's a statement and we're supposed to be doom and gloom people, we're supposed to be alarmists, and so on. (Interjection)— Yes, well, that's just it. It shows what kind of people you are and it shows what you know and what you know about the role of the Opposition, and if you think this is it.

(Interjection)— All right, and those two smart characters on the other side are experts on the situation on the topic that we're discussing, I'm sure, so maybe then they could tell us what's going on and what they think of the service and the standard that we are getting at the St. Adolphe nursing home. Maybe they can tell me if they would like to see their mother or father there —(Interjection)— what? Well then, you wouldn't want to see them there at this time. You wouldn't want to see — you see, Mr. Chairman, that's just it, automatically it's the strikers. It's nobody else, but many of these people in this government, it's the strikers. You're supposed to take of the top, the elite in the society, and then the strikers, the people that are having a hard time making ends meet, they are supposed to yes, tighten

the belt, and they're supposed to work for the betterment and to make sure that it's a good climate and they want to make money and cut corners; and this is exactly what's happening.

Now the Minister, I'm surprised, the Minister is not getting only one side of the picture, he's getting both because I am getting some copies of letters that he is receiving, unless his staff has taken over and not showing it to the Minister, and I'm getting phone calls from people who said they have been talking with that office. And I would like to know. Maybe we should sit down tonight and determine what, to see if we have the same ideas as to what standards should be in this area. And maybe we should find out if, having to wake because of lack of staff, of having to wake the people up at 4:00 o'clock in the morning to start their routine of washing and so on, with these kind of people, if that is acceptable, then maybe we should find out to see if the time that they've had to wait before their meals, if that is acceptable, and also the conditions that they have when they're wet and sitting in filth, for hours, if that is acceptable.

And then maybe we should find out if the staff, who is starting on their second shift at times, being bussed from St. Norbert, who are coming in, all of a sudden as qualified people in that nursing home, if that is acceptable.

Mr. Chairman, if the Minister, and the Minister of course can't be everywhere at the same time, but it seems to me that he is looking and he is accepting as gospel truth one side and not the other. And he's saying he's concerned, and nothing will ever, he'll make darn sure that the standards will be maintained, but while he's saying that, the standards are going down and these people are suffering. There are people that are frightened that are living in this atmosphere, they are threatened with all kinds of things or innuendoes, or rumours that they will have to pay more; they're afraid to say anything.

The Minister repeatedly said that the nurses are doing wonderful work and I agree with him, and that is another subject. That is one of the reasons why we can't keep nurses here, we have a shortage of nurses, it's not only pay, it is the working conditions that we have, especially in areas like that. Now to protect themselves and they've had this restraint, they have these forms that I think the Member for Transcona mentioned, they have these forms that they file with the owner, with the operator, and he's refusing to accept that. Now if the Minister talks to the patient, if he talks to the relative of the patient, and if he talks to the nurses, he will find out because unless something's wrong, because the information that we're getting, and I haven't been there, and I've never phoned anybody, I'm getting the calls on the phone, and the information that things are really bad.

I have an example here, the latest letter that I received; I forgot the others at home. I got this today. This is a copy of the letter to the Minister. I received a copy and the Minister of Labour received a copy: "Mr. Minister: I am certain that you are aware of the labour dispute between Mr. Brousseau and the support staff of the St. Adolphe nursing home. I would like to inform you that my father is a patient in the home and since the dispute has begun

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I have visited my dad several times and I feel I must advise you that I am distressed with what I have seen. Mr. Brousseau said that the replacement which he has brought in are competent people. If they are, how would he explain the fact that an old sick person is left waiting hours for his meals? How would he explain that my father is left in a very wet bed for hours and no one noticed?

"I understand that you would rather not get involved in this conflict, however, I feel that as Minister of Health you have no choice but to get involved. Mr. Brousseau is only interested in maximizing his profits and shows no concern for the old people in the nursing home. You must get involved in order to assure that the level of care is adequate. The nursing staff is certainly doing their utmost to see to the medical well-being of the patients but I can see that there are limits to what they can do when they are surrounded by untrained staff. It may be against your political philosophy to put pressure on a private enterprise, but the circumstances in St. Adolphe requires your immediate attention, and either Mr. Brousseau hires competent staff or else he negotiates with the union to assure that proper care is given to the patient. Sincerely, Cecile Lagasse."

This is not one of the persons on strike. This is somebody that, of course, like all of us wants to see this thing settled but in the meantime is certainly quite disturbed with the care that her father is receiving and I would think that every single one of us around this table would feel the same and we'd yell blue murder if it was one of our parents that was there.

The Minister claims, "Well all right, you have to accept responsibility if you move him." You have to accept responsibility if you do nothing also. They've been moved. I know it's traumatic and it's difficult and it's the last thing that should be done, but that's happened before. I remember it was a lot worse when they had to move all kinds of people with iron lungs and so on during the flood and they were moved. Now these people, it doesn't have to be confusion if that is the case. I don't know what the answer is because I don't know the options that the government has at this time. The only thing I'm saying to the Minister: You are saying to the press; you are saying to other people that we're exaggerating. And if you're not, your colleagues are saying that we're alarmists. You know, that's the role of the Opposition; we have a few months to do it, we have the Estimates and we have a Question Period to do it in, and that is our role, our responsibility. We're not there to praise the government, the government can do a very good job of doing that themselves. We're there to point out and to keep the Minister on his toes and the government on its toes and I think the Minister in the past has suggested that this is the way to go, and I know that he wasn't as easy as we were when he was in Opposition.

I remember in the same predicament, the name calling and so on that we had with the former Minister of Labour, Mr. Russ Paulley, who was very hard on the man personally who was accused of all kinds of things personally. (Interjection)— Not only Bud. but some of your other people and Bud was the leader. Mr. Chairman, if this is going to be a joke, I would suggest that you ask these characters to get

the hell out of this Committee room. (Interjection)— You have no business coming here and trying to disturb the Committee and to try to make everything a joke. They have no business coming here and trying to disturb the committee and then try to make this a joke.

MR. CHAIRMAN: Order, order. The Chair is trying to have one speaker at a time and it would be appreciated if we hear one member out and I'll go back to the other side if someone wants to speak, but we won't get anywhere where everybody is jibing in, so the Member for St. Boniface can continue.

MR. DESJARDINS: Yes, Mr. Chairman, sure I've had my share of jokes but there's certain times that people have to have a little bit of to be a little serious when we are discussing things as important as that and the suffering of people. It's not just a joke between members who are trying to have fun. It is something that is very serious to people and they can only ask that the work and the case be discussed honestly here by different parties and our role is to show if there is anything. We've been told many times, we are like ombudsman, every single one of the MLAs and it is our role and our duty to bring the subject up.

Mr. Chairman, I would like to say also, I see this as an example of the danger that you have when you have a profit-oriented personal care home. I hope that the Minister, in a way, would not respond to this because I wouldn't want him to respond to feel that he's defended and to say that forever this is a policy and that won't be changed, because I think that he should look at it. He should read the articles that appeared last week in the Globe and Mail, and he will see, and then many of the books that were written on it. I think that we are fortunate in Winnipeg compared to many other places in the type of people that we've had in the short time as proprietors of those nursing homes, but the danger is there, and he is not one of the examples that I cite as a model, this operator. He is not one of them at all. In fact, I would much sooner see him out of this line of work and go back to making money in real estate than taking care of people, because I don't think he's doing a good job, and I don't think he ever did.

Mr. Chairman, as I say, I think this is an example of the danger. I am not saying you wouldn't have a strike if it was a non-profit organization, but I am saying that I don't think there would be this bitterness, and I don't think that the government or the religious order, or that Fred Douglas or that group would allow this kind of thing. Now you have one man, and you can't put all the blame on this man, to him it's a livelihood, and we allow that. We allow that and we call it — if he can make money, we're saying the only way he's making money compared to the others — it has to be that because the others are spending every cent, there's no profit — he is more efficient, and unfortunately too often, efficient in running a nursing home means that you have everybody quiet because they are sedated and you don't need as large a staff. You can go in any time and look at a personal care home, and especially if they know ahead of time, it will be a model place, everybody is sleeping or tied in a chair. I think —(Interjection)— Oh for Christ's sake, are we going to have this here again, God damn it.

Well, Mr. Chairman, we have once a year during the Department of Health, we had a liquid dinner for some bloody guys and we have to face this. Well, I'm not going to . . .

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

MR. LLOYD G. HYDE: Mr. Chairman, I just sat as long as I think I can sit and listen to the crap that is going across from that man across there from St. Boniface. I made an enquiry to a family in Portage la Prairie whose father has been in the St. Adolphe Personal Care Home for a number of — I shouldn't say a number of years, a number of months — and they have been very well pleased with the care that they've had in that personal care home.

I asked now that the strike is . . .

MR. CHAIRMAN: The Member for St. Boniface said . . .

MR. HYDE: You've had your say.

MR. CHAIRMAN: All right, I recognize the Member for Portage. You have your say.

MR. HYDE: It disturbs me to the utmost to think that we have people like this that's degrading the personal care system that we have in this province the way they are doing today. This last couple of days in the House has been disgraceful as far as I'm concerned.

Now, the family who I talked to are saying to me, have said to me over the supper hour, that they realize the position that the nurses are in. The young nurses are doing a good job. They may not be as well qualified medically as they should be to care for the patients, however, I understand that we do have medical doctors caring for their needs when the time comes. But it's very disturbing for me to hear this here nit-natting going on back and across just because some few people have decided to strike against the personal care homes of this province. It's a lot of junk to think that people from the Opposition tear us apart like this, when the senior citizens are not being torn apart and not being mistreated in this province.

MR. CHAIRMAN: The Member for Transcona.

MR. WILSON PARASIUKE: I'm delighted that finally we have had the true colours of the Conservative backbenchers come out. Here's a man who has become an instant expert on health care who has spoken out very little. He has become an instant expert on health care and immediately he has come to the defense of the private profit-making operator. That's his first concern on this, but saying somehow, somehow, that the people who have raised concerns over what's been going on, not only with respect to St. Adolphe, but a whole bunch of other private nursing homes, in terms of the difference in quality between them and the non-profit homes.

Last year we had the Golden Door Geriatrics Centre, if you can recall, if you can recall. (Interjection)— Obviously, obviously this has been a good supper for somebody . . . but last year we had the Golden Door Geriatrics Centre, we had that

strike and the Minister at that time had to use some persuasion on the owner and if he checks through Hansard, he'll recognize the statements that he made at that time, indicating that possibly something would have to be done with respect to the owner in terms of trying to get some collective bargaining taking place.

This year we had a situation in the Selkirk Nursing Home. We had a situation now with respect to the St. Norbert one. In fact a local priest living in that community will make comments about the quality of care being provided, they're not only over the last 10 days, but over the last while, obviously that person has concern and for the Member for Portage to say that the articulation of that concern, voiced by the residents of St. Adolphe, voiced by the relatives of the people in St. Adolphe, raised by the nurses, is crap, then we on this side we reject that entirely.

I'd like the Member for Portage to check some other sources out. I'd like him to become an expert on health care if he's that interested. (Interjection)— I wouldn't want him to join anyone. I'd just like him to find out some of the facts. One phone call, the instant one-phone-call expert. The instant one-phone-call expert. (Interjection)—

How many drinks have you had, buster? How many; you know what? We have had this and I agree with the Member for St. Boniface, we've had a pretty good discussion, a rational discussion on health care. I'd call them goons but I don't think they warrant that.

When we have to try —(Interjection)— I don't get intimidated, Mr. Sherman, I don't get intimidated or threatened by any jokers coming around trying to disrupt the proceedings as they've been trying to do ever since the Member for St. Boniface started speaking. We aren't intimidated by tactics like that. (Interjection)— No, we're not heroes. We are just rational people, Mr. Chairman.

MR. CHAIRMAN: The Member for Seven Oaks on a point of order.

MR. SAUL A. MILLER: Mr. Chairman, on a point of order. This is a committee meeting, you are in the Chair, it is a formal meeting of the House; now either the meeting takes place in order and people are recognized and others keep quiet, or frankly I intend to simply get up and leave because you cannot operate in these conditions; you cannot talk; you cannot think. Now if the government backbenchers or the government side thinks that by screaming and hollering and baiting, they can bring this debate to a conclusion, they are right. We will leave, and we will make public our reason for leaving; I will do so.

MR. CHAIRMAN: All right, I think we do have to speak through the Chair. The Chair will recognize you, and I would beg of you, if you can't hold yourself get the hell out of here and let it go, but we do want to proceed. I don't want to be sitting here two hours from now on the exact line that we are on, when there is no real reason for it. We all know where the blame, if there is some . . . Now I'll try to recognize every man in turn, but for God's sake, try to hold yourself till you get a turn. The Chair will recognize every one when he —(Interjection)— A point of order.

MR. HYDE: It isn't often that I speak, but I cannot tolerate a man calling us a bunch of goons on this side of the table.

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I made a personal call to find out what I could find out about the Ste. Adolphe matter, and believe you me these people are wrong and they're exaggerating the case that they are today. For the last two days in the House they've been just exaggerating the position that the Ste. Adolphe Personal Care Home is in today.

MR. CHAIRMAN: I am not the judge, I am only a Chairman here, and I will recognize each side in rotation, and I don't believe the Member for Portage had a point of order. The Member for Transcona.

MR. PARASIUK: Mr. Chairman, I specifically didn't call them goons. If you look at the record, that's what the record will say.

MR. CHAIRMAN: The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, things were going very well in this committee; we progressed well; we had some good discussions; and for some of the people that haven't been here that long that don't realize what this is all about it, it is an opportunity for the Opposition to question, to scrutinize, to suggest, to criticize the government, and that in turn, in our form of government that they like to defend, this would promote better government. But, Mr. Chairman, it is a question now, you know, the people were threatening, you'd better stop right there. You know, they've got another guess coming if they think they scare anybody. I am not scared of any of those guys, I can tell you that, so that should be forgotten.

Now, Mr. Chairman, everybody has a chance to talk. They can say what they want, we can defend ourselves. We have talked about the things that we've heard. I didn't try to talk about the strike as much as the standard of care, and I challenge any single member including the Member for Portage, if he wants to make a point on any platform to talk about the health care in this facility, any time, any place, any day.

Mr. Chairman, somebody gets one phone call, so he says, and everybody is happy. We are supposed to keep very quiet and not say anything. Well, this is not why I was elected. I don't intend to follow the advice or suggestion of the members, especially the one from Portage, and if I have any criticisms to make, I'll make it, I hope it is constructive criticism.

Now, Mr. Chairman, I've been in the House . . .

MR. CHAIRMAN: The Member for Roblin on a point of order.

MR. J. WALLY MCKENZIE: Mr. Chairman, I regard, that I guess the sage of this House has made remarks and put on the record, that some people are here not too long, and therefore they don't have the right to speak; he said that. He secondly went on and said that it's only the Opposition that's allowed to scrutinize the Estimates of this Minister. I think that's uncalled for, Mr. Chairman, and I think the Honourable Member for St. Boniface should withdraw those remarks.

MR. DESJARDINS: . . . they can read Hansard. He should get the wax out of his ears, listens or sober up. or something.

MR. CHAIRMAN: Order. I don't believe the Member for Roblin had a point of order.

MR. MCKENZIE: Mr. Chairman, . . . withdraw that remark, absolutely. I don't recall at any time of any member to say, "sober up". Mr. Chairman, I ask him to withdraw that remark right now.

MR. DESJARDINS: I don't intend to withdraw any remark. I said either he takes the wax out of ear, listens or sober up. He can have his choice.

MR. MCKENZIE: Mr. Chairman, he said sober up and I ask him to withdraw that remark.

MR. DESJARDINS: I don't intend to withdraw any remarks. Not certainly, not the way . . .

MR. MCKENZIE: Take a ruling on it, Mr. Chairman.

MR. CHAIRMAN: Well surely, to the members of the committee, we can get to the line that's here, because we're getting nowhere except that knowing one another. As long as we're sitting here and I would . . .

MR. DESJARDINS: Why, because we dare criticize, because we dare criticize the . . . has he got a point of order, you recognize him or what?

MR. MCKENZIE: The Honourable Member for St. Boniface who is the sage of this House and knows better and says to me that I have to sober up. I ask him to withdraw those remarks, period.

MR. DESJARDINS: You're taking things out of context. I said you either you listen or sober up. I don't intend, you can talk until you're blue in the face, I will not withdraw, especially after the statement. You interrupted me on a point of order and said, that I said, that those haven't been here long have no business talking and I never said that. I never said anything like that at all. I never implied that. I'm surprised to hear this character speak. I haven't heard him for three years. I didn't recognize the voice.

MR. CHAIRMAN: Now let's start off and take our turns.

MR. MCKENZIE: Let the Member for St. Boniface take the Chair. He's running the committee anyway.

MR. CHAIRMAN: Do you want the public to know just how we represent our area going on like this from both sides? I think the whole committee should be bloody well ashamed of itself, if the public knows what is going on.

Now, I'll start again, one at a time, get on the second line, Personal Care and forget about our . . .
The Member from Roblin.

MR. MCKENZIE: On the same point of order, Mr. Chairman. The Honourable Member for St. Boniface asked me to sober up. I ask him to withdraw that remark, period.

MR. CHAIRMAN: Well he said it in conjunction with other remarks.

MR. MCKENZIE: How he said it; he said it and I want him to withdraw it, period.

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MR. CHAIRMAN: Well, I'm surely not up in all the rules of the House, but I doubt if the Chairman . . .

MR. DESJARDINS: . . . the committee rise, Mr. Chairman, we're going to have to ask that committee rise, or it's going to be a waste of time.

MR. MCKENZIE: Mr. Chairman, for the last time I ask you to ask the Member for St. Boniface to withdraw those remarks, otherwise I retire from this committee and let him take over the Chair, because he runs the committee anyway.

MR. CHAIRMAN: I think it would only be — the Honourable Minister.

HON. L.R.(Bud) SHERMAN (Fort Garry): Mr. Chairman, I think what's happening here really reflects the kinds of passions and emotions that are running in this particular dispute, and I think it accurately reflects some of the things that have been said to me by members of the work force at St. Adolphe, as recently as this afternoon in the hallways of this building.

There is no question that passions and emotions are running high on this issue. There is no question that the persons who are out of work in the industrial dispute have very deep concerns about their jobs, about their relationship with their employer. They also had concerns about the residents, but they have very fundamental concerns about their jobs and their livelihoods, and so a lot of things have been said and I have said so in the House and I say again now, a lot of things have been said that have not been accurate.

Some of the things have been accurate. Many of the things have been exaggerated and taken out of context. Many accusations and allegations that have been made were accusations and allegations that were probably valid, in fact we know that some of them were valid six months ago but are not valid today.

What's happened here is that there has been such a polarization of positions in defense of the workers who are out in the industrial dispute at the present time, on the part of members of the Opposition and a polarization on the part of my colleagues in defense of the difficulties that the Minister finds himself in, and any Minister would find himself in in these circumstances, that we're getting into areas of emotional bitterness, rather than reasoned debate. And I think that no useful purpose would be served by continuing the sitting of the committee tonight unless we agree that we can perhaps return specifically to the facts of the point at issue and the facts of the debate and I would ask for the cooperation of both sides of the committee in that process.

MR. CHAIRMAN: The Member for Minnedosa.

MR. DAVID BLAKE: Mr. Chairman, on a point of order or if we're not, could I have the Chair on a point of order.

If I might bring some sense of responsibility to what has happened with the sitting of the committee this evening, I witnessed the finality of the Question Period this afternoon, saw the Minister leave the House and attend the usual T.V. camera questions

and be put upon by members of the people in the dispute at the St. Adolphe home, which I think was uncalled for and I suspect was orchestrated by the Member for Transcona, because he was standing back clapping when they put upon the Minister.

This has exercised some of the members on this side of the House, Mr. Chairman, and has caused what has happened in this House tonight and I hope I never see demonstrations like that allowed in this Chamber or in the hallways of this Legislature again, as long as I'm here. I'm sorry to see it and I think that's what has precipitated what has happened here tonight, and the Member for St. Boniface can say what he likes, but that's been simmering all afternoon and I think you've cleared the air and I agree with the Minister. Let's get on with the business of this House and handle the discussions of the committee responsibly and get forward with the business of the welfare of the citizens of Manitoba that are in care homes, unfortunately as it may be. But that is what has precipitated this and I put the blame on the Member for Transcona.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Mr. Chairman, when you have someone who has not been involved in the committee process in the Health Estimates, come in and start lecturing me on roles and responsibility, I find that somewhat difficult to take on the point of order.

We had someone come in saying that I was clapping, which is a direct lie. (Interjection)— That is a lie, that's a lie. We just have an admission of a lie right now by the Member for Minnedosa.

MR. DESJARDINS: Mr. Chairman, I move that committee rise.

MR. CHAIRMAN: All in favour of the motion that Committee rise? Against? The motion is defeated.

The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, the Minister has tried perchance to protect the action of his colleagues here tonight, but there's no way that that's going to go under silence that we will accept guilt on this at all. Things were going well, we've had debates before, sometime it gets heated, and there are some members who come in, one by one, laughing and talking and interrupting even before they were sitting down, so it's not just a question of emotion and passion. They might have been that.

I can tell you that I don't feel the kind of emotion that the Minister is referring to. I did not speak to any of the strikers; I have never received a call from any of them; I don't know any of them; I didn't see them in the hall; I was in the caucus room after the question; I had no idea they were in the gallery, if they were in the gallery when I asked my question. In fact I can inform that I wasn't here for caucus and inform the people that I asked somebody to inform the caucus that I had a question to ask. There is not that kind of passion because I have not really looked and I don't know, really I don't know who's right and wrong in this instance of striking, I haven't the faintest idea, I haven't made a point to find out. My only concern has been the standards of care for the patient. That's my only concern. So there wasn't that passion at all.

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Now as I say we are at a disadvantage in that House, we can ask a question and that's it, we can't say anything else. The Minister can make a statement, then he can make a statement outside the House, and this is why in this committee we certainly intend to say what we have to say. We say it and try to get the Minister to agree. If not we register our protest and then we go to something else, and we were ready to do that. The Minister can try all he wants, this is not what happened tonight.

I sympathize with the backbenchers on government, I know it's difficult to stay quiet all the time and to have to be here, I realize that; but it doesn't make it any — it's understandable but not excusable to come in once or twice a year, and I guess boys will be boys, and have this kind of thing like we had last year when we were talking about Mount Carmel, that it was a Communist thing and it would never be built because it was run by Communists, and all of a sudden we heard that there's going to be money spent for the Communist clinic. You know, these are the kinds of things, and I don't mind a joke either, but when you haven't got a chance — this government now, some of the members in this government, and that's what I referred to when I said some of the new ones who haven't been around in the days of Roblin, people of that would never have been tolerated.

I have had some damn good debates in this House and we walked out as friends, and now there's so much bitterness on all sides, it's a damn joke. You can't ask questions, the Question Period is a joke. It is all orchestrated that the members of the government, it is their right, they ask a question of the Ministers, we are allowed to go too far when we ask question, and the Ministers can ramble all over the place and that's all right. You're turning this into a mockery, you're turning this House into a mockery.

If you have the guts at least, don't try to shout down or scare or threaten the Opposition in speaking, because that is their duty and their responsibility, and I remember when I was the Minister all that was said, and I remember the things that I thought were very uncharitable, to say the least. They tried to tar you with some things; like for instance, the confrontation with the doctors, those kind of things, and now we intend to have our say even if it's going to take all night. If you're going to try, we're not going to make it that hard, we're going to walk out, but I do not accept the . . .

MR. CHAIRMAN: I wonder if we could return to the line that we really started out on, Personal Care Home Program. I've tried to be reasonable and asked for some . . . on the members.

MR. DESJARDINS: Mr. Chairman, you allowed the Minister to make a statement, which was a very smart statement to try to get the things, you know, to throw oil on disturbed water and everything is fine, and then put the blame on both sides. We came here ready to work today, like we did yesterday and we did the day before, and you know, you were in that Chair, you know that things have been progressing, and the Minister knows that things have been doing very well, good co-operation, no problems. Sure, we didn't agree on everything, and this is an area. All right. We'll go back on that.

Now the Minister keeps saying, he said this afternoon that as far as he was concerned we were

honest. They didn't hear that, but he said that he felt that we were honest in our criticism and that's the way it was presented to us, but he's saying that some of the things are exaggerated and he said, I listened to the news today, he said that in the hall after the Question Period.

I would like the Minister to tell what of the accusation, the things that I said, what has been exaggerated? Does the Minister reject the fact that some of these people have been wakened up at 4:00 o'clock because of lack of staff? Does the Minister say that that's exaggerated when I say that? Does the Minister say it's exaggerated that they've had to wait, some of the patients have had to wait for a very long time before they got their meals? Does the Minister think that it's exaggerating that the Member for Portage thinks that this is the best of care, very proud, and he would like to have any members of his family there when they are left in a wet bed and wet clothes or dirty bed and dirty clothes for a number of years. Well, not years, but it would certainly seem like years for some of these people, people that are confused.

You know, we are playing games here when these people are having a hard time. Senior citizens that did a heck of a lot more for their province than we ever did. This is the time to discuss this, Mr. Chairman, and my concern, I was going to finish, until I was so rudely, and the rest of our group were so rudely interrupted so many times, I was going to suggest to the Minister that it can't be all black on one side and all white on one side. Maybe there are some exaggerations, but maybe he's not getting the facts from the other side.

I can tell the Minister that the MONA representative came over and asked to see us to complain about that, and they're the ones that told us many of the things. They told us also the nurses were not on strike and if it wasn't for the nurse in those present institutions, it would be an awful lot worse. They are doing a lot of work over and above the call of duty, and the Minister has recognized that himself, and they're not satisfied, and they have complained to the owner and he will not accept these complaints.

I'd like to know what has been exaggerated. I'm not talking about the strikers, I don't know anything about that; I'm talking about the — I'm concerned, the Minister had a chance to talk to the strikers and maybe he was right, I'm concerned with the exaggeration of the things that I said because it has been said by a member that we are just trying to tear down the system that, Mr. Chairman, I think that we did our share in trying to build. I'm very proud of that, and that's the last thing I want to do is tear it down. There's too many people working, there's too many people affected; just for political or partisan things to try to tear down something, it's the furthest away from my mind I can assure you, Mr. Chairman.

But I would want the Minister to be able to tell me where the exaggeration is, or to tell me, I'll shut up right now if the Minister tells me all right, I've heard both sides, I'm going to make a point to find out. I'll go myself, because right now I don't know who to believe, and to try to do something, but it's no good to have these pious statements and to say I will never allow the standards to go down, I will never allow it to do that in all that time. Things are real

bad, and if I'm wrong I want to be proven wrong but not by somebody that's not never been around that doesn't even know where St. Adolphe is and I don't think they know the difference between a personal care home or a senior citizen home. Mr. Chairman, I had enough of those people, I don't pay too much attention to what these members have to say, but I would like the Minister to tell me, where, what is exaggerated, then we'll try to find out, and the people that give us this information will be put against the wall and they'll have to tell us what the score is, and that's all I want.

I'm certainly not blaming the Minister for all the problems that we've had. I've recognized that this afternoon, but I'm saying that obviously he's getting some information and we're getting different kind of information and somewhere along the middle somewhere there's got to be the report, but it's gone. There's too many conflicting statements. We are getting too many and I've never, as I've said phoned anybody or asked for anything, I'm getting those, freely. I'm getting phone calls from people I don't know and some people I know and the people are not happy and there has been a lot of accusations, a lot of things said and I admit I'm repeating some of those things that . . . I wasn't there at all, I mean during the strike. I'm saying well, for the Minister, and he can stop all this debate and say well all right, I will find out because there must be something somewhere, and I'll see what is acceptable but not tell us repeatedly or exaggerating on what point I'm exaggerating; I would like to know where?

Then, Mr. Chairman, we'd like to know also what the situation is with the, whoever the inspectors are. I think that's the important thing, and I'm not as I say, the Minister is right, he's not the Minister of Labour. We're not here to settle the strike and I don't even think that you should, if you wish I would certainly support you if you said that if you ruled out anything about the strike just on the standards of the patients and that's all I'm concerned with, Mr. Chairman.

MR. SHERMAN: Mr. Chairman, I don't know really what I can add to what I've said about this subject to date. Obviously, what I've said is not accepted by the Opposition. Obviously the credibility and the expertise of the Standards Division of the Manitoba Health Services Commission is not accepted by the Opposition. Obviously the contact that we have had with Dr. Miller is not accepted by Opposition. Obviously the contact that colleagues of mine have had with friends and relatives who are in that home is not accepted by the Opposition so I don't know what more I can say than I have said.

The Member for St. Boniface has made a great deal out of the fact that he disagrees with me over my statement that this whole situation has become laced with passion and that's one of the reasons why there was the rather bitter exchange between Government members and Opposition members tonight.

I want to say that if the honourable member thinks that this thing has not become laced with passion and is not a highly charged explosive, volatile emotional issue then he has distanced himself very considerably from the event. The reason my colleagues have taken the position that they have taken, and I defend the position that they have

taken, I don't agree with all the exchanges that have gone across, back and forth across the table, but this is a political arena and I can understand them. The reason they have taken the position they have taken is because the Opposition has steadfastly insisted that every opportunity in Question Period and elsewhere to present in as bombastic a fashion as possible, one side of the story.

The Member for St. Boniface says to me that I'm accepting as gospel truth one side of the story. I say to him and I don't lay this at the Member for St. Boniface because I think really in fact his questions this afternoon were reasonable but I say that the lead critic on this question, the Member for Transcona, has taken declamatory positions in Question Period and for the Member for St. Boniface to say that Question Period has become orchestrated by government is simply a joke — (Interjection)—

MR. CHAIRMAN: One speaker at a time, committee — the Honourable Minister.

MR. SHERMAN: What has happened in Question Period because it is now the period of the Legislative day that is covered by television is that the Opposition has chosen to use questions as an opportunity to make speeches, to make assertions and I challenge the Member for St. Boniface to read back the questions that have been put to me on this issue and many others by the Member for Transcona. They are not questions, they are political diatribes, they are political statements and no Minister, no Minister, and if he were Minister he would take the same position. No Minister can allow those declamatory statements to be made under the guise of questions. So that the whole thing has become distorted in Question Period. Certainly I've gone outside the House and been assailed by the press or been questioned by the press and assailed by others as he was when he was Minister. That's par for the course, politically. I'm not complaining about that, but if he expects me to fail to defend either my colleagues in government caucus and their feelings and their position or my officials in the Manitoba Health Services Commission, then I must confess, sir, that we will never be able to communicate.

Our standards officers of the Commission under Mrs. Kay Thomson who is here; under Mr. Reg Edwards who is here; under Mr. Frank DeCock who is here; have been on site at that home since this difficulty started. They have been there on an ad hoc basis as well as a scheduled basis. They have reported to me in detail and repeatedly on a continuing basis night and day as to the health care conditions in the Home. I've said inside committee and outside the committee; inside the House and outside the House that it is not ideal. You get an industrial dispute in a health facility, nobody is happy, but the people who are most unhappy, the people who are most impassioned and I can understand it, are the workers who are out of a job. The people who confronted me in the hall this afternoon, the people who put their position and it was very good television and I saw the selective television and I repeat it and I extend it to both the CBC and to CTV-CKY, the selective television reporting of that situation on the evening television news.

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The government is fair game in a situation like this because a number of workers who are out of their jobs, out of work, and in that battle with their employer are able to take a position that becomes very colourful in terms of media coverage and present the case of human suffering and manufacture the case of deterioration of care for personal care residents. If there is deterioration of care for those personal care residents, my Premier and my colleagues and I will close that home, but I want to tell you something, Mr. Chairman, through you to the Opposition. If I close that home, you face three problems, one of which is, where do we put the residents? The second of which is where do we get the nurses, and the third of which is, where do the employees go? If they think they're out of work now, they have a chance of getting back with their employer, I hope, and certainly my colleague, the Minister of Labour is doing everything he can to resolve it, but what would an authoritarian unilateral declaratory order to close that home achieve for those workers?

Now, I want to assure the Honourable Member for St. Boniface that I've heard from MONA too, and I am the first to say that the professional nurses are owed a great debt of gratitude by this Government and by that Opposition and by the people of Manitoba for the extra mile that they're going and of the work that they're doing and they may be reaching the breaking point and if they reach the breaking point, we will have to act. We may have to close the home, but I rely on Mrs. Thomson and Mr. Edwards and their inspectors who are far more knowledgeable in inspecting standards of nursing care than either I am or the Member for Transcona is or the Member for St. Boniface is, or than Anne Klassen and the demonstrators who were in this hallway today, are. They are not inspectors of nursing care. The inspectors of nursing care with the expertise in this province repose in the Manitoba Health Services Commission Standards Division, and they have been out there, and they have examined the situation and monitored it and they have reported to me. And it's confirmed by others we have talked to, including Dr. Miller, that the care is all right. The danger is in the fact that the nurses are becoming overworked because they are working with non-oriented personnel, new staff who haven't been properly oriented to the job, and also there is the whole business of the unfamiliarity of the situation for the residents. So of course, I'm concerned, and if the members opposite are suggesting that this government walk out of here tonight and close that place down at 11:00 o'clock tonight, fine, that's a legitimate request. but I want you to consider the consequences if we do that.

We are trying to maintain nursing care at a proper level, and we are trying to see that some effort is made on both sides to resolve that industrial dispute, and when the Honourable Member for St. Boniface asks me about exaggeration, I can cite a number of exaggerations, not from him, but from the Member for Transcona in the preambles to his questions in the House. As an example the references . . . for example the fact that certain people are got up at 4:00 o'clock in the morning. I am advised that's been the practise in that personal care home for years. Many of those residents are got up at 4:00 o'clock in

the morning and many of them want to get up early in the morning. Many of them have a sleeping and living pattern that gets them up at 4 and 5 and 6 in the morning. Now, I don't think that's ideal. I think people should perhaps be encouraged to sleep, stay in bed until 6:30 in the morning in those homes, but it's this kind of injection into the debate of situations that have prevailed for some considerable time, without any great disturbance for anybody, that I object to, because it's done in such a way as to suggest that all these things are terrible things that have happened within the last week.

Another exaggeration is the Member for Transcona's claim that the government has at least been acquiescent with respect to the operator saying that he is going to have to raise the per diem on them, and the government should be honest about it. Mr. Chairman, I just dismiss that kind of thing as cynical posturing. The government two months ago wrote every personal care resident in Manitoba a personal letter advising them that personal care per diems would be going up by so much each quarter of the year over the course of 1981-82, and explaining why it had to be done, and I might say that although I would admit there have been some minimal number of persons objecting to it, the number has been minimal, and I mean minimal. Most personal care residents appreciate that they're considered by this government, as they were by the other government, as proud people who are prepared to help pay their way, and they're happy to help pay their way, and they understand that the cost of the program keeps going up.

Mr. Chairman, to deal with exaggerations, I would have to go back over every question that's been raised in the House on this issue, and primarily, as I say, by the Member for Transcona, who uses the opportunity to make a speech in a declamatory way and to try to imply that these are things that are somehow out of the usual, out of the ordinary, never were there before. The things that he has been right about are that the nursing staff is hard-pressed and over-worked, and two, that the physical condition of the home has left something to be desired. There have been some maintenance jobs that needed to be done, but nowhere near of the magnitude that has been implied in some of those questions. Certainly there have had to have been some repairs to some windows and to some lamps and to some other parts of the building, but they have been things that can be done in a day, a day and a half. They haven't been major maintenance or repair jobs as they have been portrayed by some critics in this situation.

Finally, Mr. Chairman, I would just say that the demonstration this afternoon is one that is perfectly understood by me. I can understand the position of those workers, but their passion mainly arises out of the fact that they don't like their employer, and I hold no grief for their employer, but to try to say that the government and the Minister of Health, have some particular responsibility that we are not meeting because they have a dispute with their employer is a distortion. It's a colorful situation for the media, and coming from the media, as I do professionally, I can well understand that's the angle and the aspect that the media is interested in. But I am telling this committee the truth, that my standards division

officers sitting right here at this table have been there and have reported to me, and they say that the nursing care is adequate. When it ceases to be adequate we will close that home.

MR. CHAIRMAN: I think the Member for St. Boniface; I believe he was first.

MR. DESJARDINS: Mr. Chairman, I can assure you that I am not going to speak for the Member for Transcona. I know that he can well defend himself, but if there ever has been exaggeration it is by some of the last remarks of the Minister. The Minister has stated that I said that all the question period was all orchestrated. I didn't say that at all, I said that some of it, and I gave some of the examples that were done. Now you know there is something — that nobody will be ahead. We can talk all we want and we are not naive. We know the political in-fighting. We know what politicians do for publicity, and I am surprised to hear that the expert — and I envy him when I say that — the best PR member in this House would, and I know he's done that before, and if anybody has been handled with care and has received favours from the media, it has to be the present Minister — (Interjection)— Oh, no, well that I don't believe, but it's your right to say it.

Mr. Chairman, for the Minister to say that other people have tried that, that to me is a bit funny. I wonder if the First Minister would keep quiet for a minute. We know all that he is going to say and have his name calling. I wonder if he would keep quiet. (Interjection)—

MR. CHAIRMAN: Order, order, order please. One member at a time. (Interjection)— The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, if we are going to proceed, if not just tell me and I'll get my stuff and get the hell out of here because I am getting a little fed up.

MR. CHAIRMAN: The Leader of the Opposition on a point of order.

MR. HOWARD PAWLEY (Selkirk): I think it would be better for all the members of this committee if we could carry on with the discussion with less interjection. The Member for St. Boniface has the speaking order and I think that would be much more profitable for all members if some of the name-calling could be cut out.

MR. CHAIRMAN: On that point of order, I agree with him. We are getting nowhere by everybody chiding in. I don't know how the recording people can straighten out, but the Chair would appreciate each member getting the Chairman's eye and I will certainly give everyone his full time, but let's do it one at a time. Now, if not, then there's no point of being here. The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, I think that the most partisan member of the government will admit that the Minister was allowed to make a statement which was a lengthy statement without any interruption at all. We didn't try to shout him down, we let him say what he had to say.

Now my point, Mr. Chairman, I said I am not here to defend the Member for Transcona, I think he can do a darn good job. I am not here to talk about the striker as I said, and I'm not going to repeat myself forever. I don't know any of them. I didn't talk about that at all and I am not interested at this time to talk about that, it is not the place, it is not the place, this is under the Department of Labour.

I want to repeat, I'm talking only about standard and I certainly don't deny the Minister the right to his style of speaking, but I don't appreciate the Minister bringing in all his staff, one by one, and try to get us to fight against them, and I'm not going to fall into that at all. The Minister is the person responsible. The Minister is responsible, it's not his staff, they are not there to defend themselves and we haven't got the facility or the chance to go and explore what's going on in there. If there's any responsibility to many members of the Commission, that's up to the Minister to determine, it's not up to us. The only concern that I have, and the question that I've asked today and I repeat, these are all things that I've been told by people that I believe, maybe they're exaggerating, in many ways. Some of these things that were said to me, were said by the members of MONA who came over to see us, to tell us that this was an awful situation, and saying that their nurses were all fed up, that they thought they could not go on like this, it wasn't good standards and they protested and their protests were not accepted by the member. Now either that's right or it isn't right, and I'd like to determine that. Okay, maybe we should call on these people and find out what the score is.

I am saying that the Minister — and I am not ready to accuse anybody or to say that they're right — and he started by talking, obviously I can't say anymore, but obviously you don't believe that, I can say the same thing. Obviously all the relatives of the people that have relatives there and who give us complaints, the Minister doesn't believe them. Obviously the nurses that are working there, that are saying that the conditions are not conducive to good standard are not to be believed. You know, we can say the same thing and we're not going to get anywhere.

We are saying — and I consider this our responsibility or my responsibility, I don't give a damn about the strikers at this stage — I am saying that I would want the Minister to make certain, maybe it's past taking the words of all those people that he mentioned. Maybe it's time to go out and find out what really the situation is. Call the people working, talk to the patients, talk to the parents also, not just the one side, and if he's right, I'll apologize. But it is my duty as long as there is a doubt in my mind and as long as the people are giving me that kind of information to bring it here at this table, is that wrong? If that is the case, if it's wrong, if we're supposed to just praise Allah in every department's Estimates, well we're wasting our time. Everybody, including the First Minister more than anybody else, knows that this is not the way our system works and he's the biggest defender of the system.

So, Mr. Chairman, I'm not going to accept that I'm wrong. It might be, and maybe I've got the wrong information, but I am not convinced. (Interjection)— I'll admit it, but you don't, you've

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never been wrong. Oh, stand up and say that, we've got to get this for posterity and history, that you said that you were wrong.

HON. STERLING R. LYON (Charleswood): We did something for separate schools when you said we were gutless, yes.

MR. DESJARDINS: You were gutless at the time and, Mr. Chairman, if you allow that, I'm ready to go on aid for private schools. I was the first one to congratulate the First Minister when he did something and I voted against my party with you on that, if you remember. But in those days when I called you gutless, you were gutless and you weren't the Premier at the time. But that is another issue that I'd love to debate.

MR. CHAIRMAN: Could this Committee please return to the line?

MR. DESJARDINS: Well, all right, it's exaggeration. —(Interjection)— No, you haven't been. You were elected before but you were away for a long time. I didn't think that I warranted so much watching, and I'm very proud that you felt that you should watch me all these years, I'm very proud of that. You know, some people are talking, exaggerating and other people are called arrogant, we all have our qualities and our faults.

MR. CHAIRMAN: I wonder once more, could we bring this Committee to order. We're here to represent the people of Manitoba, line by line, member on member. I'll recognize you when you get my eye, but my god, what am I supposed to do? Everybody is jabbering from every side and if that is the case, we're accomplishing nothing. We'll still be at this line at 2:00 o'clock tomorrow morning with nothing done. So is there any way of asking this Committee to discipline themselves as a Committee and as representatives of the people should discipline themselves. I'll call the Member for St. Boniface once more.

MR. DESJARDINS: Mr. Chairman, you're absolutely right. You made only one mistake. In all you admonition you looked at us, you should have looked at your boss because he started it all.

MR. CHAIRMAN: I looked at everybody.

MR. DESJARDINS: Maybe he was hiding under the table, because he didn't see you. Now I've got to start all over again, I lost the train.

Now, Mr. Chairman, all this thing aside. I am asking once more and I don't want him to answer the Member for Transcona or the strikers, I want him to answer me.

Is the Minister satisfied that he has all the information? Is he satisfied that all the information is correct? That he cannot have any doubt that there might be something in some of the statements that we made, some of the criticisms that we brought here, that we were asked to bring here. If he's satisfied, then there's no point going any further.

I would hope that he will say, well all right, I'll make an effort to have an independent assessment of this situation and do it right now and that's all I

have to say on this. I think we've covered the whole thing.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Thank you, Mr. Chairman. I'm surprised at the extent to which the Conservative Government wants to try and avoid and divert attention from the issue, by trying to attack me personally. I don't mind that, because it shows that they're obviously concerned about the issue and the tactic. It's not a parliamentary tactic, Mr. Chairman. —(Interjection)— No, it's a Fascist tactic. That's the simple point of it. This Fascist tactic by bullies, and that tactic was used in the Thirties, and I've had a good chance to take a look at Fascism in Manitoba and it's got a red head.

I would like to now talk about the substance of the issue. That's right, despite the boy in short pants. I'd like to talk about the substance of the issue. (Interjection)— It's very simple to tell the truth. I'm having a hard time speaking, Mr. Chairman, because the Leader of the Conservative Party keeps trying to start debates on the side.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Yes, I'd like to talk about the substance. —(Interjection)— Well, we have another intelligent comment by the Premier from Manitoba. It not only embarrasses me, I'm pretty sure that his conduct embarrasses the entire province. Mr. Chairman, I'd like to continue and discuss the substance, and if I can I'd like to, but I will have a very difficult time if the Premier of the Province keeps degrading himself in the way he's been doing. So can I continue? Okay, I'll continue. We have a pale imitation of the original. I would like to try and speak though, despite the fact that the Member for Pembina is trying to be a pale imitation of the Member for Charleswood. —(Interjection)— Well, I'm having a hard time. Can I speak, Mr. Chairman, I'd like you to rule?

MR. CHAIRMAN: The Member for Seven Oaks on a point of order.

MR. MILLER: Mr. Chairman, you've asked members of this Committee to allow the person who has been recognized to speak without interruption. We have agreed to that. We have abided by that. Would you now make sure, and with the authority of your Chair, that whoever has the mike is not interrupted so that the person at the mike can continue to say what he says without having to digress and prolong the time we're spending here.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: I'm having a hard time, Mr. Chairman, trying to speak, but I'll continue though. The Minister tries to say that all of these things, all the difficulties that existed in the St. Adolphe home have only become apparent now and we're trying to make mountains out of mole hills and if he looks carefully at the questions I asked him on Tuesday, March 17th in Hansard — I asked him a whole set of questions regarding the facility and the operation — and I ended up asking in the House as well, and I'll

get back to the particular points you raised, I asked about the inspection procedures in that, I said that if you are going to have routine regular inspections where people know in advance that they're coming out, that there can be some attempt at covering up; and I thought that there should be spot checking.

It would appear that the industrial dispute at St. Adolphe Nursing Home has brought to the public's attention conditions that obviously have been existing there for some time, which does call into question the efficacy of the inspection procedures. If indeed you do have broken windows inside which can lead to cuts on hands which have happened there, and they aren't fixed for six months, even though the Minister himself says these are things that could be fixed in a day, the question obviously is, well why weren't they? It's a normal inspection procedure.

Now the Minister undoubtedly has toured a number of personal care homes. I, as the health critic, have toured a number of them as well. I've gone through places like the Tache Home; I've gone through places like Park Manor; I've gone through places like the Fred Douglas Home. I've gone through the one that existed in Selkirk. I've gone through this one and now there are some problems with it. I have not seen broken windows in the other places, I don't think I've seen one. I saw three at this place that had been broken for some time and hadn't been fixed, now that's a minor point; but the point is, why wasn't it fixed in the first place? That is the real question. Secondly, why aren't the inspectors picking those types of things out?

If you walk around the outside of that building, you will see towels and sheets stuck in the windows and the windows taped up. —(Interjection)— Well, the First Minister says if there wasn't a strike on we wouldn't be talking about it. Maybe the public wouldn't know. But what we have to ask ourselves since we've become aware of this, is that the right way in which a personal care home should operate? Is it right that through a winter, a personal care home should have sheets and towels stuck in the windows of the patients' rooms so that they don't get undue drafts, is this what the per diems of the Manitoba Health Services Commission are going for? I don't think that's what we want, I think we'd want improvements to that. So when a situation arises that brings those things to light, we will raise them and we will highlight those particular points, and we will say, why has this been going on for some time when it becomes apparent that those things have been going on for some time? The sheets in the window, the towels in the window, the broken glass, those things didn't arise because of this industrial dispute, they existed there before. So when I ask questions about the inspection procedures, I think they are valid questions about how are we inspecting these facilities, if those types of things exist. I think that's a very real question that we as a Committee have to address ourselves to.

The Minister himself this afternoon, admitted that there has been poor co-operation from the owner to date. We won't dispute that, in fact we say yes, that would appear apparent. Then I raise the other question though in conjunction, if an owner isn't co-operating, why is it that this government still will have under active consideration an application from

the owner to build additional nursing home capacity? Again the Minister indicated a couple of days ago that yes, that file is still active. This is going on when non-profit institutions have been told, no.

So I wonder why is this going on? It relates back to the inspection procedure. Perhaps the Minister didn't know that those things existed in that way. If that's the case, he should be asking some very serious questions of the Manitoba Health Services Commission as to its inspection procedures. If he did know about these problems, because he says we haven't had the fullest co-operation, then I wonder what criteria he is using when he is considering applications for additional nursing home capacity in this province, because this isn't the type of operator I would want operating a personal care home.

Now, I raised a particular point yesterday about the per diems and I would ask him to investigate that. When a parish priest provides information to me, I'm pretty sure he would provide it to you, regarding statements that have been made by the owner to particular patients, raising fears in their own minds as to what is going to take place with respect to increases in the residential per diems, then I think that is a misleading statement on the part of the owner, and it's not fair. Despite the Minister saying that he sent out a letter to all the patients, I think if you asked people in this room the contents of that letter some time ago, they wouldn't remember it. They wouldn't remember that the Minister said we'll be increasing the per diem, and the per diem will continuously be increased on the part of residents until March 31, 1982. That's a government decision and we might debate that government decision and say we think it's wrong, the proportion is too high, and we have done that; but we recognize that is a government decision and we would hope that the people in the homes recognize that is a government decision.

But when the owner of a facility goes around telling the patients that this type of dispute that's taking place is going to cause your residential per diems to go up, he's obviously trying to pit the patients against the workers, and it's not fair to the government. I don't think he has any right to make those types of statements.

So if the Minister says that's an exaggerated point, or if that's an unfair point to raise, I disagree very much with him on that.

MR. SHERMAN: It wasn't that, it was that you asked wouldn't the government be honest.

MR. PARASIUK: No, I asked if the government would undertake to inform the people as to what the real situation was, and obviously if you've had an owner who has, day to day, verbal communication with the patients there might be a tendency on the part of the patient to believe that what the owner tells him or her is true. I think that there is an obligation on the government's part at that time to inform people of what the exact situation is, and that's what I asked the Minister to do. I didn't say that they were being dishonest, and I will check Hansard to see whether in fact that's the case. I did ask the Minister if he would go out there or have someone go out there and verbally make that communication to people, if indeed they've been told that, and that's the word that I get directly from

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people who I have no reason to disbelieve, and these are not workers.

I think we can dwell on whether in fact there's been exaggerations or not exaggerations. I think the points that I raise with respect to the quality of the facilities are in fact true. The points that I raised with respect to leaks are true. Again, I heard this from another source, not from a worker, but when I am told that a patient had to cut off her per diems — I don't know how she did that, but I'm glad that she had enough spunk to do it — in order to get her roof fixed so the water wouldn't leak in her room; then I say that something is wrong with the inspection procedure if that is not just an isolated incident. And from what I gather, it wasn't an isolated incident, because there were many leaks in that facility.

So then it comes back to the whole issue that we've been talking about with respect to nursing homes, and that is whether in fact there isn't an inducement to private operators of nursing homes to squeeze the quality of service and try and somehow beat the inspectors to derive their profit. And wouldn't they also try and run down their facility and I would argue, and this might be seen as taking the position of the workers to a degree, that another avenue or an inducement for a private operator to squeeze some profit out of a personal care home facility is to try and squeeze it from the workers and pay them less than other operators pay their staff. In both these instances it would appear that's the situation with respect to the St. Adolphe Home, and I say that gives me further justification for the position that if you do allow profit, and I would say it's unearned profit because there is no risk involved in the provision of nursing home care, that you do build in those economic incentives. The Minister being a member of the Conservative Party should understand the significance of economic incentives and should try and build in a system to prevent economic incentives from decreasing the quality of care provided.

We come back to the statements that I raised on Tuesday, March 17th, regarding the per diems; I asked specific questions about the capital per diem. I notice that there are some very substantial differences in the per diems being paid to the St. Adolphe Home and the per diems being paid to the St. Norbert Home; there is a very big disparity there. A 42-bed facility got \$320,000 from the government for providing personal home care. The St. Norbert facility with 91 beds, twice as many beds, just under twice as many beds, got three times as much money, namely \$1,044,000.00. Again, why the difference? I should get an explanation for that, getting back to it.

So what's been happening is that this is part of a larger debate, the St. Adolphe situation. The St. Adolphe situation is part of the larger debate as to whether in fact we should be trying to meet the needs of people in Manitoba who require institutionalized personal home care through personal care homes, through the avenue of, what I would call, humanitarian community service and religious groups; or will we be trying to meet that need through the approval and funding of private profit-making corporations. The evidence in the case of St. Adolphe leads me to again conclude that we shouldn't be using the private corporate route; that

there are too many dangers built into that system. I have heard no one come out with anything against that; anyone refuting that in this particular instance.

We have a situation where we don't have audited financial statements and I asked the Minister, again on Tuesday March 17th, does St. Adolphe provide audited financial statements with respect to the St. Adolphe facility or the St. Norbert operation, because when he says I can't afford to do these things, then we will know. You would have some idea of what went into maintenance and what didn't go into maintenance. I have been told something that I haven't been able to completely verify, but I have been told from too many different sources, that for a long period there was no hot water in the facility and that hot water had to be hauled in. That concerns me very much too. But you see, if you don't have audited financial statements you can't do those types of checks, and yet I know that with respect to non-profit facilities, that they are required to provide them and that they do provide them; I know that the Health Services Commission does its jobs very diligently in that respect, and it goes over those audited financial statements, and it tries to make sure that the money that is spent or paid to the non-profit facilities for their operations goes only for approved care, and that somehow a surplus isn't somehow gotten by the Manitoba Health Services Commission and pumped back into the operation as an enriched service. You don't want to have enrichment because you want to have your personal care dollar spread out; you don't want people sort of hoarding little bits of surplus in one facility or another facility to enrich the service.

I think that's fair with respect to non-profit homes. They complain about it but I don't defend them for that on that basis. I think the government is being correct in doing that. It should be a matter of government policy as to whether there should be this type of enrichment or that type of enrichment. It shouldn't be through some type of accounting finessing or fooling of the government that there is enriching of services at the non-profit level. But surely if that holds for the non-profit facilities it holds for the private profit-making corporations as well. The government should know how that money is being spent, and it should know whether in fact there is the proper operation and maintenance expenditures being made so that the facility isn't run down, because that's the easiest way to make some short term profit, you run the facility down. Another easy way is to squeeze it from the quality of food or a whole set of other ways, and we don't even know; we don't know what they are doing. But every once in a while — because it's not that easy going through the private facilities — every once in a while though we get a window as to what goes on in the private facility and that real window gives us a very shocking picture. I don't know why the Minister continuously defends a private profit-making operator's right to keep his expenditures secret.

We have a situation where the government is conducting very detailed audits of students who have taken out student loans. There's a presumption of guilt; we seize everything; we ask them to provide grocery bills, you name it, and we do that type of audit in the name of efficiency; saving taxpayers' money; doing that with individual students right at

the time when they should be studying for exams. Now, one could debate the severity of that, but no one is saying that we shouldn't be doing the monitoring of students. But then on what grounds does the Minister turn around and defend, as he did publicly, a private profit-making operator's right to keep all of his expenditures secret, even though the auditor has told them time and time again. He can turn and come back at me and say, yes, but you know the NDP did that from 1973-77; and I will say that I think that action was wrong at that time. But they weren't approving any more private nursing homes and there were a number of small ones, but those small ones are going out, that grandfather situation has changed and we are being left with private corporations who should find it very simple to provide audited financial statements; a lot more simple to provide audited financial statements than individual students find to deal with the auditors that come and deal with them, or the various groups that have to provide audited financial statements if they receive grants from the government, as the auditor requests.

So as various cultural, religious, other groups, are required to provide those types of statements for the auditor, why in heaven's name aren't the private personal care home operators? Then we would know whether in fact there has been any type of skimming taking place; then we would know whether in fact the facility is being run down, because we are paying, virtually, the entire cost. In fact we are paying the entire cost either through the hospitalization payments or the old age pension. We are talking about us as being taxpayers generally.

I come back to another point that I raised before, and I don't think this is an exaggeration, when the Minister says that points that we raise, or that the Workplace Safety and Health inspector raised, about the health and safety conditions of the workers, that really those don't have any relevance to him because he's the Minister of Health, I say he's sadly mistaken when he says that, because if the conditions are not safe from the workers' point of view, how can one say and want to argue that somehow they are safe from the patients' point of view. I would have thought that if he had any knowledge of a Workplace Safety and Health inspection saying that conditions weren't safe, that he would be terribly concerned because the people who are in the personal care homes are generally, by definition, much more immobile than the workers are.

What we find ourselves in, Mr. Chairman, is a situation where we have been debating the general way in which the provision of personal care homes should be done; through the non-profit group or through the private group, and this has been a real topical example. Unfortunately we have been given this window that shows a number of horror stories, and when we raise those horror stories, because we're just doing so through this window, the Minister, rather than saying, oh my god let's find out whether in fact this is the way it actually is, even though it might appear this way through this window; the Minister is saying things are okay. Things obviously haven't been okay.

Yesterday when I raised the points about the broken windows the Minister said that I was exaggerating that they had been dealt with, when

obviously I knew they hadn't been dealt with because I had been walking around that facility at 12:30, at the same time, by the way, that the special inspectors came out; yesterday at 12:30. I don't know if they were dealing 24-hour spot inspections before, possibly they were, but there were three special inspectors that came out yesterday. Today, there is lumber in there and there are windows in there and things are being done. I am glad they are being done, I am really glad they are being done; I am sad that it's required the industrial dispute to bring this to the public's attention so that the matter could be raised before the Minister through the public forum that we have, namely question period or Estimates discussion, to prompt some action on the part of the owner

I think in this respect, I question the inspection procedures, but I do really question the way in which the operator has been operating for some time, because when the issue developed the former Minister of Health knew that he had had problems when he was Minister of Health with this same operator. I am quite certain if the present Minister of Health goes through the files he will find that he has had a set of problems with this operator that are quite different from the type of problems that he has had with non-profit facilities; I don't know if they're that different from the type of problems that he's had with other private profit-making corporations.

MR. CHAIRMAN: Line 2 — pass — the Honourable Minister.

MR. SHERMAN: I'm sorry, Mr. Chairman, the Honourable Member for Transcona asked me a number of questions.

He asked about the difference in the per diem between St. Adolphe nursing home and the St. Norbert nursing home, and the fact that — I think I have his question correctly — that the effective rate paid per bed indicated in the annual report is higher for the St. Norbert nursing home than for the St. Adolphe nursing home. The answer rests largely in the categorization of beds, Mr. Chairman, also in part in the fact that of the 42 beds licensed in the St. Adolphe nursing home, and there are only 42 personal care beds among the 66 residents of the home, nine are the responsibility of the Department of Indian and Northern Affairs for payment, and therefore they're not reflected in the net MHSC costs.

In both facilities the net per diem rate paid, which is always based on the median rate in non-prop facilities was the same; and that effective rate, however, is calculated in terms of what shows up in the Annual Report and what shows up in the actual budgets of the individual nursing homes on the basis of the number of beds of particular category. Level 4 beds, of course, require a heavier level of staffing and therefore they receive a higher per diem than Level 2 beds. Level 2 beds are the lowest level except for Level 1, the hostel type bed in those hostel-type facilities still in existence in the system. Level 2 is personal care; Level 3 and 4 get into the extended care category. So there's a differentiation on the basis of the categories of beds.

Mr. Chairman, the Member for Transcona has made considerable of the fact that, as he puts it, the Provincial Auditor has requested the filing of audited

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financial statements. Mr. Chairman, that's not correct. The Provincial Auditor has not requested the filing of audited financial statements. What the Provincial Auditor has said is that if it is deemed unnecessary for audited financial statements to be filed, as it was so deemed by the previous government and as it to date has been deemed by the present government, then what is necessary is to change the legislation. The Provincial Auditor's concern is conformity with the legislation. The point he raised is that if that item in the legislation is a mere anachronism — that's hardly the proper term, but is merely academic — if that item in the legislation is merely academic, then take it out and change the legislation so that the previous government and the present government can both demonstrate that they're abiding by the legislation. I've attempted to explain to the honourable member the debate that has raged within two governments and within the Civil Service serving two governments over the question of audited financial statements, and I can assure him that he may — he claims that if they were government, and if it was up to him, he'd demand audited financial statements — I can assure him that his colleagues, when they were in government, examined that question very assiduously, as we have done, and there's never been a consensus, either in the NDP or in the Progressive Conservative government, and there's never been a consensus in the Civil Service that I know of, and there's never really been a firm position on the subject taken by the Provincial Auditor. What he has said is either clean up the legislation or else do something about what the legislation says.

Now, I don't dispute the merits of requesting audited financial statements, and I've tried to say, and again I think this has been glossed over in criticisms levelled at the government, that the prop homes that are now being licensed, the five proprietary operations which I have described in earlier sessions of the committee, who were phased down or closed down in the winter of 1977-78 and are being re-licensed to come back into the field, do have to file audited financial statements; that's a condition of their licences; and any prop home from this day forward coming into the system would have to file an audited financial statement, that will be a condition of their licences.

The anomaly, and the questions, arise with respect to those already existing in the field who never did have to file audited financial statements, and the Member for Transcona is quite right when he focuses on that item in the legislation. I would agree that it's time to do something about it. I'm not sure that I agree with him that audited financial statements are necessary, but I'm certainly prepared to accept his suggestion and look at it very conscientiously, and I'll withhold my decision on it until I have looked at it very conscientiously. In any event, we do get what I think could be described virtually as de facto audited financial statements of much of their operations. We don't get statements on their assets, their financial condition, their financial situation, but we do have audits of their payroll and their staffing and their care standards so as to be able to satisfy ourselves that they are meeting the conditions of the universally insured personal care home system, and those records are kept and checked and monitored

by virtue of monthly reports that they have to file and by inspections carried out by our standards inspectors.

Mr. Chairman, another question that the honourable member raised had to do with the purported position of the Minister in defending proprietary operators. I'm not defending any proprietary operator, I'm defending the situation, in general, with respect to the right of those proprietary operators who were in the system when we came into office to continue in the system provided they meet the standards. If they're not meeting the standards they will not be permitted to retain their licences. In this case we have an operator who has been in the field for some considerable time; it's not somebody that we licensed to come into the field. We have had some difficulty in recent days and weeks, and months really, in terms of the general attitude of management at St. Adolphe and certainly, when the Member for Transcona raises the question of an application from that operator to build another personal care home, I can assure him that the reasons for the strong reservations in terms of accepting such an application rests precisely in the lack of satisfaction that the government has to date in terms of that operator's general performance and general commitment to the kinds of things that the government expects personal care home operators, proprietary and non-proprietary, to meet.

The Honourable Member for Transcona raises the question about the inspection process, and I think I can assure him, Mr. Chairman, that there's nothing wrong with the inspection process. The fault isn't in the inspection process, the fault is in the enforcement process. I put the question to him, rhetorically, that I've put to him before, what would the Honourable Member for Transcona have the Minister and have the government do in a situation of this kind. We had some of these difficulties that he's referred to brought to the attention of the commission; we issued instructions and orders to the operator of the home that they be addressed; and we've had a difficult time persuading that operator and forcing that operator, if you like, to comply. That has not happened in other instances. Usually when the inspectors find discrepancies and deficiencies of that kind that subject matter is brought to the attention of the operator, proprietary or non-proprietary, and they are issued with instructions or recommendations to repair those situations and conditions, and the operator complies.

If you get an operator who is not particularly cooperative, all you can do is continue to put the pressure on him because there are pawns in this game that I have referred to before, and I refer not only to the residents, I refer to the employees of a health facility. It certainly can reach a point, and it may well reach a point in this situation, where you finally have to take authoritative and final action such as moving the residents out and closing down the home. I don't want to repeat myself, I've already referred to the considerations that have to be taken into account for any such measures, so the course of action normally is for the government to continue to insist of the operator that these recommendations be carried out and the Health Services Commission has done that strenuously in recent weeks. They have continued to insist that; they have continued to

demand performance and performance is now appearing; performance is now being delivered, but it has been slow in coming.

But what alternative is there to a government when there are 42 personal care patients in a facility and there are some 20 members on a work force in a small community who depend on that facility, and the operator tends to be somewhat less than co-operative with those orders. If the quality of nursing care were affected, in the judgment of our experts, then you have a certain and justifiable cause for definitive action. If it is being maintained at adequate levels then I suggest that the best course of action is to try to keep the demands and the commands and the pressures on to get responses from the operator in terms of meeting the deficiencies in his physical plant. That's what we have been doing and we are now getting that kind of action.

If these conditions that the honourable member refers to have existed for so long one can only ask, why did the staff that is now engaged in the industrial dispute not complain about them much earlier, or bring them to the attention of the Commission much earlier, or my office. The Commission, in its regular inspections, found these things out a few weeks ago and insisted that there be action taken on them.

So Mr. Chairman, I can't add much more to my responses to the Member for Transcona. He asked a series of questions, I'm not sure whether I have met them all but I have attempted to.

I can also report that on the basis of the latest information I have received, that no family or no relatives have removed any residents, one single resident from that home, as yet. That the parish priest to whom the Member for Transcona refers, is certainly welcome to advise our Standards people and talk to our Standards people, if he has information that we're not aware of. Our Standards people have been there, are there and will continue to be there. It's one thing to say that these people bring up all these particular complaints with a partisan politician, and we're all partisan politicians around this table, that's perfectly legitimate, but it is not necessarily either the most direct or the most complete course for one to follow in these circumstances.

The parish priest and whoever else may have complaints and criticisms, would be far better advised to avail themselves of the opportunity that has existed there for several days, to take their complaints to our Standards people. Now it's true that the Manitoba Organization of Nurses Association has done so and has taken their complaints to me, through the Health Services Commission, and they concern me very greatly. But what concerns me is the stress that the professional nursing staff is under, and I can see it again as I did earlier tonight, that there is a breaking point and they are being asked to do a tremendous service and I don't want to push them to the breaking point. If we can't get the thing resolved short of that, then other action will indeed have to be taken.

I don't know whether I've omitted any of the questions that the member asked me earlier.

MR. PARASIUKE: I think there was only one specifically that I'll come to at the end.

The Minister has said that the workers should have brought this to the attention of responsible people.

Well I think that if we have an inspection process, it's up to the inspection process. The primary onus is on the inspection process, not on the workers. Okay, we agree on that.

I'd like to go a bit further though and say that ultimately, ultimately in this respect — and you'll have to check your records because I'm right on this — the problems with the facility were brought to the attention of the Workplace Safety and Health Inspection Unit. The workers acted through the Forum, an instrument that they have, and there was response, so the workers acted correctly. I wonder whether in fact there's not sufficient communication between the inspectors and the workers, when they go through these facilities. You said that inspectors have to give advance notice because they have to talk to the right people when they go through the personal care homes. The question is, who are the right people? I think that's the real question. There was a breakdown somewhere and the breakdown finally was overcome by the workers contacting the Workplace Safety and Health inspectors, through The Workplace Safety and Health Act.

I think that's sort of through the back door, I'm glad they did it. But as I said, the primary onus surely is upon the inspection process of the Manitoba Health Services Commission.

Now the Minister raises an interesting point, though, when he says that workers should raise these concerns. If the workers do, is the Minister then saying that he would at least investigate these concerns if they're raised by health care workers, and by health care workers I mean anyone involved? If people raise specific concerns, I assume then the Minister says, he'll respond. Excellent.

I have before me, the Monday March 16th edition of the Brandon Sun, which says the following, which strikes me as being very serious. It says, "Twenty-five percent of the personal care home nurses aides, who have answered a Canadian Union of Public Employees survey, say they give medication to residents although it is illegal for them to do so". I bring that directly to your attention. They may not have brought it directly to your attention, I bring it directly to your attention. I do not believe that it is incumbent, I think having it brought to your attention, I assume you'll act. I don't think I have to sit there and phone up Canadian Union of Public Employees people and say, send that in. It's been raised to the public's attention; I bring it directly to your attention. I assume then that there will be some investigation of that very very serious matter, to determine the validity of it and then to take the appropriate action. So I just leave that thing on the table with respect to that.

Let's get back to the audited financial statements for a second. I don't deem it unnecessary for any groups providing personal care, especially when it's funded 100 percent, really funded 100 percent by the public, to file audited financial statements, they must file audited financial statements. The Auditor's point was quite specific. It says, The Medical Services Act says that audited financial statements should be filed, they haven't been. He didn't say change the legislation, or there's a conflict with past administrations or whatever. His statement in the Auditor's report says, the Act's regulations require it, it's not being done.

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Now, it raises a very interesting point. The Minister says well, we didn't have consensus prior to 1977. I can assure him that since this issue has been highlighted, we have consensus in our party as to what our position on this is and that is that people receiving funds of this magnitude for a vital priority like health care, should indeed file audited financial statements.

I don't think the provision of health is a game of hide and seek between the funders of health care and the deliverers of health care. Surely it should not be a game of hide and seek. When the Minister says well, they don't have to necessarily file audited financial statements because as long as they meet the inspection standards, ultimately people are getting quality care. I would argue — and the evidence seems to bear this out — that St. Adolphe hasn't been providing good quality care; that they have been treating this whole thing as a game of hide and seek. That's why I think their application file, which is presently on the live file, should be put in the dead file.

I go to my final comment in this connection for now, because this is an unfolding saga, with respect to this particular window that we have in looking at what's going on in this private profit-making operation. But I am terribly concerned when the Minister says, what should the enforcement process be? It's not the inspection process that's bad, it's the enforcement process. I do not think that the people of Manitoba can somehow be held captive or blackmailed by a private operator, any operator. I do not believe that people providing personal home care through institutions, want to hold the government captive. I think it's an abdication of your responsibility of the Minister of Health when you say that you somehow can't enforce the standards. What are my options, you ask? What were your options when there was a flood two years ago? I assume you acted. You acted within the mandate to carry out the responsibility that you have as Minister of Health.

There are a number of things you can do. Abdicating your responsibility is not one of them. You can hold back funds. It strikes me as a very hungry operator right here. If you hold back funds you'd have some bargaining power. If he cuts back services when you hold back funds, and the holdback is a normal thing in operations, that's one of the ways in which a person tries to get the other person on a contract, to comply. If you build a building, there's always a 20 percent or a 15 percent holdback. There should be some holdbacks here or ultimately you move them.

I say if this is the way in which that private operator operates, that what you do is you say good-bye. Mr. Brousseau, and you build the alternative capacity because if you are engaged in this game of hide and seek, it will continue to be a game of hide and seek and the only way you can get out of it, is to build an alternative facility and go with an alternative method of delivery, which will end the game of hide and seek; and we'll lay the cards on the table; we'll lay the facts, the figures on the table and ensure that these types of games aren't played. I say to the Minister that when you lock yourself into that position of saying, I can't do anything with a Mr. Brousseau, then you have abdicated your responsibility.

I cannot see how we can have any integrity to our personal care home system if a particular individual can flaunt the standards. You know there's been a number of press photos of a particular individual holding his nose, and what we're really having here is, figuratively another individual holding his nose and flaunting this particular system and I think that's wrong. I think the people of Manitoba think it's wrong and I'm quite convinced that they would give full support to the Minister for telling Mr. Brousseau that flaunting this, is wrong; that there are alternative ways of doing this. I think the Minister has to act.

Now, my question that wasn't answered from before, because he's certainly tried through the discussion once everything cooled down and we could talk rationally on this, he did try and answer most of the questions I raised on March 17th regarding this particular instance, except that he didn't explain the capital per diems. He talked about the operating per diems and he said that we have this difference in gross expenditure between the St. Norbert and St. Adolphe homes, because of differing levels of care. I'm astounded that differing levels of care would create that much of a difference, but probably they could. Now, I just don't know the per diems and the levels well enough and I'll take the Minister's word on this. I don't need to do all the arithmetic and get all the breakdowns of Level 1, 2, 3, 4, in St. Norbert vs. Level 1, 2, 3, 4 in St. Adolphe and what's paid by the Indian Affairs Branch. If he says that's the case, fine, I'll accept his word on that. It's just that it did strike me as being quite a big differential, twice as many beds, but three times as much gross payment. But when it comes to capital per diems, I'd like to know if they vary from home to home and between non-profit and profit-making homes.

MR. CHAIRMAN: The Honourable Minister.

MR. SHERMAN: Mr. Chairman, I'll take two minutes briefly before I deal with that question, just to make two points, so that everybody understands the realities of the situation and the realities are on the record.

Firstly, I'm advised that it is not illegal for nurses aides to distribute medication. It's not generally done but it's not illegal to do it. When it is done, the medication is prepared beforehand by the professional nurses on the staff.

The second point has to do with the member's suggestion that there were things we could have done and probably a very effective course of action would have been to hold back funds. I want to tell the Honourable Member for Transcona that we were very close to doing that, that we, because of the frustrations we had encountered after the Commission inspection process uncovered some of these deficiencies in the plant, we had reached the end of what we thought was a reasonable period of persuasion and a reasonable waiting period to have those corrections carried out, and we were very close to withholding funds and this is something that Mr. Brousseau doesn't know and won't know until this moment, but a letter was prepared for me by my officials, drafted for my signature, advising Mr. Brousseau that that action was going to take place and it didn't go out because of the industrial dispute. If it hadn't been for the rotating strike — and I want

to emphasize, Mr. Chairman, that this is the first time I've used the term strike in this whole debate, but for a day at least it was a strike — if it hadn't been for that, that letter would have gone out.

But I say quite sincerely to the Member for Transcona that our feeling was, once that happened we were in something of a corner because then to lower that kind of a threat on the operator, who is somewhat distressed with the government at any rate because we have not approved his application for a new personal care home, then his course of action might well have been to simply say, "Well, that's fine, if that's the case, I'm closing down," then where do the strikers stand? Now, it may well be that those people, some of them, have lost their jobs anyway but there's always the hope that they can settle the dispute and get back to their jobs. We felt if we issued that letter, once that industrial dispute took place, that we were playing right into the operator's hands, and the Member for Transcona may have perceptions of that reasoning which would lead him to say that has flaws in it, and perhaps it does. I'm not suggesting that our reasoning is always correct, but that was our reasoning, that was our sincere thinking on the subject, that to lower that kind of a threat, once the industrial dispute got under way, was just playing into his hands; so we then went back to the pressure tactic and it appears to be producing the necessary results and the workers still have a chance of getting their jobs back, I hope.

On his question about the capital per diem, Mr. Chairman, the per diem that's paid to personal care homes, prop and non-prop, is actually two per diems, one operating per diem and one capital debt repayment per diem; the capital debt repayment per diem is the same for all prop homes. It varies for non-prop homes depending on the capital debt incurred, I believe the capital debt incurred at the time of construction. The median rate on the capital debt repayment per diem has been \$2.40 per day, and the proprietary operators are paid the median rate in the same way that they are paid the median rate of the operating per diem, the median rate of the non-prop operating per diem. The proprietary operators are paid the median rate of the non-prop capital per diem and that's —(Interjection)— pardon?

MR. PARASIUUK: What is that again?

MR. SHERMAN: \$2.40 a day. That's the capital debt repayment per diem paid to the existing proprietary operators, \$2.40 a day. Now the new prop operators who are old prop operators who have been re-licensed, the five projects of which members are aware, receive a much higher capital debt repayment per diem and members opposite are aware of that whole subject and our announcement of it last year and the reasons for the higher per diem, it's based on the costs in today's construction market and money markets and mortgage markets, one has to remember that all the existing prop homes were built many years ago when interest rates and mortgage rates were as low as 3 percent and when wage rates and construction rates were substantially below what they are today.

In the case of the non-prop homes, they have been able to accommodate their capital costs through low

cost money from Central Mortgage and Housing. There's a quota allotted to the province every year of CMHC money for personal care beds and senior citizens beds, elderly persons housing I think, and it provides for a certain block, a certain number of beds that can be funded from a capital point of view at money which is loaned at 2 percent, in this day and age, at 2 percent; so obviously their capital costs are very low, but the prop operators of course don't have access to that money and indeed we have used up the CMHC quota available.

If non-prop operators were going to build today they would very likely have to go into the money market and borrow at the same rate as the prop operators until a new quota of beds for Manitoba opens up in CMHC funding and it's been running at, I believe, at about 100 a year; is that correct? This coming year it's 60 beds. So once that 60-bed quota is used up, even a non-prop operator then would have to go into the market and borrow at today's rates which are anywhere from 14 to 17 percent. So, the new capital debt per diem structure was agreed upon after lengthy study by the Department of Finance, by the Health Services Commission, and by my office to ensure ourselves that these were the true costs that were going to be incurred by persons building personal care homes today and that the government and the people of Manitoba were going to be protected in terms of dollar value. Those per capita per diems are based on the interest rates that the personal care home operators will have to pay for their mortgages, for their capital funds, on a sliding scale from 10 percent to 14 percent and we don't go beyond the 14 percent. If they have to pay more than 14 percent interest our per diem doesn't accommodate that but what it does do is that it picks them up at 10 percent money and provides them with a capital cost per diem differential of \$7.00 a day and that figure goes up by 50 cents for every percentage point increase in the cost of their money up to 14 percent; so at 11 percent it's \$7.50; 12 percent it's \$8.00; 13 percent it's \$8.50; 14 percent it's \$9.00 and it cuts off there. And if they should get money at less than 10 percent the formula provides that the per diem reduces accordingly; 50 cents for every percentage point.

Now, the interest rate is established as the lesser of the actual negotiated mortgage rate or the prevailing CMHC rate at the time. In other words, when the operators, prop or non-prop, come to us and receive approval to build a 100-bed home at the cost of \$35,000 per bed; that's \$3.5 million, and they have to arrange their financing; they have to demonstrate to us what their interest rate is and this formula goes into effect at that time and is based on the lesser of their actual negotiated mortgage rate or the prevailing CMHC rate. So if they're having to pay 16 percent for their money and the CMHC rate is, let's say hypothetically, 13 percent, all they'll get is that prevailing CMHC rate, 13 percent, in terms of the capital borrowing authority that they get from the government.

Further to that, Mr. Chairman, their financing is subject to review by us every year so that they can't get into short-term financing and bridge financing arrangements that give them benefits outside of this formula and they have to file an audited financial statement every year. Further to that, Mr. Chairman,

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they are not allowed to charge preferred accommodation rates and, as you know, the preferred accommodation situation has been a factor in our personal care home system since its inception and it has caused some difficulties; it has caused some differentiation between accommodation for residents. Some personal care homes have charged, and have been permitted to charge under the legislation, an additional \$1.00 to \$5.00 a day for preferred accommodation which they have applied in the case of private as against semi-private or in the case of larger rooms as against slightly smaller rooms. The prop operators will not be permitted to differentiate and to charge for preferred accommodation. The charge will be the same for all residents and I believe I'm correct in saying that all accommodations must be private. Is that correct? All their rooms, all their accommodations must be private rooms.

MR. PARASIUK: The new ones?

MR. SHERMAN: The new ones, yes. — (Interjection)— I'm sorry, 10 percent can be semi-private but they can't charge for it, they can't charge a different rate. They can't charge the other 90 percent preferred accommodation rates, everybody will pay the same rate. Some people prefer to be in semi-private so that's correct. There is a little bit of reserve there to accommodate those people who like to share rooms. Our experience is that most people don't like to share rooms but there's always 1 in 10 or 2 in 20 who do, so 10 percent will be semi-private but there will be no preferred charges.

Those, Mr. Chairman, through you, sir, to the Member for Transcona are the basic conditions and requirements of the program and the formula and I want to assure the Honourable Member for Transcona that every effort has been made to face the reality of the market today and to build in protection for the taxpayers of Manitoba for their dollar while still achieving the additional numbers of personal care beds that we need in the system.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: I thank the Minister for the comments on the capital per diems. I'll look at Hansard to look at the formula rather than just responding on it spontaneously off your verbal presentation today.

I have two very small questions that I'll ask you individually. First, you've approved some non-profit homes, will they all have private accommodation as well?

MR. SHERMAN: Yes, Mr. Chairman.

MR. PARASIUK: I would just like to respond. I think the move toward private residence is a good move and I commend the Government for moving that way.

I would like to ask if a facility, private facility, gets a capital per diem of \$2.40 a day, whether in fact the facility has been paid off or not. How do you know whether a facility has been paid-off, I mean, the whole thing that exists with respect to private homes, in my explanation, or any private facility, is that if you build a public facility and you pay off the capital

costs then, of course, that capital cost is then paid off, it's written off, it's done, you're finished with it. But a private home can keep refinancing his facility or he can sell it to someone else and the public constantly keeps paying this \$2.40, yes, \$2.40 and I assume it might vary a bit in the future, it might go up a bit and my particular concern here is that what we are doing is paying for private refinancing. Is there any way in which the Commission can determine that a facility has indeed been paid off and the public shouldn't be paying any more for the capital per diem?

MR. SHERMAN: Mr. Chairman, the answer to the last question would be no. We don't get that information as to whether they have paid off their capital debt or not. In fact the payment that is made to the personal care homes is not separated, it's only separated in our books; they get a lump sum per diem. What we say in our calculations is that of that \$37.50 a day, \$2.40 of it is for capital debt repayment and the other \$35.10 is the operating cost based on their nursing standards, their levels of care and categories of beds. So it's not differentiated at their end.

The justification for it is that the homes presumably have to meet repair and maintenance standards and also, in the case of the prop homes, they don't enjoy the tax exemptions that the non-prop homes receive, so there is extra cost incurred by the proprietary operators as compared to the non-proprietary operations.

MR. PARASIUK: Without getting into a long drawn-out debate on this, I think that there are instances where the public could be in fact, paying extra for something that has been paid off entirely; and we have no way of knowing it unless we do get audited financial statements; and we'd know it I think if we had audited financial statements.

Secondly, I think that from what I've seen of some of the private homes, they haven't been using that \$2.40 to upgrade the facility. I've seen linoleum on concrete floors in the basement, I haven't seen the type of insulation, rugs that I think should have existed — and I refer to the Selkirk home, I refer to the St. Adolphe home — so there's no way of ensuring that that \$2.40 is going into the facility to upgrade it. This is one of the complaints I have with some of the rundown private facilities that I have seen. If they're making a profit and they're getting this capital per diem, part of it should be going in to almost like a sinking fund to improve the facility and they're probably writing off depreciation for tax purposes. That certainly is something that they are doing. They are depreciating the facilities, claiming depreciation, but not really putting in the upgrading. I think that is something that one should very seriously think about changing.

The tax argument can be debated the other way as well. Non-profit facilities do not get involved in tax write-off real estate ventures or energy ventures or any of the other things that these other companies, with their high guaranteed cash flows, in fact do. I see Villa Centres as one of the companies that operates here in Manitoba, and Villa Centres is becoming a diversified real estate and energy company using the the guaranteed cash flows that they're getting from personal care homes. So one

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could argue the tax question at some length but I just make it as a passing comment.

MR. CHAIRMAN: The Member for Seven Oaks.

MR. MILLER: Mr. Chairman, to the Minister, the \$2.40, to continue on this theme, \$2.40 per day was paid to the operators to cover capital. What about in non-profits? Was there any amount or was that depending on what the books required?

MR. SHERMAN: That, Mr. Chairman, is the actual median of the non-prop costs and financing.

MR. MILLER: I realize that's the median and that's how you arrived at \$2.40. The question is, when the per diem is calculated for non-profit, and let's say it's paid off, then does the Commission calculate the amount, the per diem to a non-proprietary home? Do they calculate on the basis of looking at the audited statement of their costs of operation, the level of care, and the capital repayment? If there is no capital repayment then I assume they just don't get anything. So there is a distinction.

MR. SHERMAN: That's right. It's calculated on an individual basis.

MR. MILLER: So there is a distinction, and this is a distinction that I'm curious about, because on the one hand the Minister said well, they do have — even though they may be paid off some of these old proprietary ones, still they have maintenance costs — so you're paying them \$2.40 on that basis because that's the mean of the capital repayment of the non-proprietary. But in the case of the non-proprietary, the amount paid is not a nickel more than what actually they have to pay out. If in fact they've paid off the debt, whether it was because they paid in cash for it through their organization or whatever, there is no money flowing for that purpose.

So the proprietary ones do have a cash flow of \$2.40 per bed per diem which the non-proprietary in fact, don't enjoy. So there is a distinction being made between the two. I can see why, for the private entrepreneur, this may be a very good deal and I can see now why shares of these proprietary homes are so good on the stock market because they are going to do very well on that basis.

Mr. Chairman, the other question I have is this, what is the length of amortization on these new facilities?

MR. SHERMAN: Thirty-five years, Mr. Chairman.

MR. MILLER: So one of these new facilities is coming on stream now, whether he has a 35 year mortgage or he hasn't, it doesn't matter, but you calculate it on the basis of 35 years?

MR. SHERMAN: That's right, Mr. Chairman.

MR. MILLER: I believe, if memory serves me correctly, the CMHC funds were for 50 years, was it?

MR. SHERMAN: I understand they're for 35 years, Mr. Chairman.

MR. MILLER: Also 35, I see. Now the Minister said that the funds through CMHC of course are far less

expensive than what a private entrepreneur would have to pay, they're as low as 2 percent. Now, I heard the staff mention they were down this year to 60 beds; that's the allotment for Manitoba. Now as I recall, their allotment never was what we asked for, but I also recall that as we got to the end of their fiscal year, we could make a pitch to Ottawa and invariably pick up funds that were underexpended elsewhere in Canada, provided we assure them that the funds were going to be spent in Manitoba, that CMHC simply took account of what was happening in other provinces, and any underexpenditures in other provinces, they would make available to Manitoba.

I wonder if the Minister has considered that in order to make it possible for non-profit organizations and the non-proprietary nursing homes to be built? Has he considered that? Is he going to be using at least the 60-bed allotment which may be made available to Manitoba this year?

MR. SHERMAN: Mr. Chairman, I've certainly considered that and in fact, one or two years previous to this, we did manage to extract from CMHC an increase in the allotment which enabled us to approve a considerable number more beds and still be inside the 2 percent money range. But that has been used up, Mr. Chairman, and we have got a different situation vis-a-vis Ottawa now than that which existed two, three and five years ago.

CMHC has indicated quite clearly to us, and we've pressed them on it repeatedly over the past year, that their allotment is not likely to be raised from that level of 60, and that we shouldn't look for any additional beds and they've given us the very strong impression that we're into an era of relatively low allotments.

We had to, of course, make a calculated judgment based on the best information we could get. We wanted to put something in excess of 800 personal care beds into construction and we cannot be certain at all; in fact we've been dissuaded from expecting that we'll be able to get any increase in that allotment either at the end of this fiscal year or the end of any fiscal year in the immediate future. It was a judgment decision. On the basis of that decision we opted to work as conscientiously as we could to develop the formula that I have outlined to the honourable member and get on with the job.

We are left really with the impression, that I have suggested earlier, that any non-prop operator — and there are a number who certainly are in top priority consideration for the next approvals and some are included as honourable members know, in the capital program for this coming year that I have announced — will very likely face the same situation that the prop operators are facing because of that reducing support from CMHC.

Now it could happen that CMHC loosens their purse strings, but we have had no indication that they're prepared to do so when we made that calculated judgment.

MR. MILLER: Mr. Chairman, I recognize that the CMHC might have reduced its allotment for this year but the same applies as applied in other years. Even though they've reduced the allotment across the country, it doesn't mean that every province is going to pick up their allotment and at the end of the year,

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more can probably be extracted from them as has been done in the past.

I suppose there's no sense flogging this, the Minister has his views on personal care homes and allowing the private sector to be active in that field. I disagree with it. I've gone on record as stating that and it's a matter that we both agree to disagree.

The non-proprietary homes of course could go to the marketplace and raise funds the same as the private ones do and they wouldn't pay more, they'd probably pay less as it has in favouring — and I suspect in some of the private entrepreneurs, so that the interest rates wouldn't be quite as high. But for the world of me, I can't see why the government has been pushing as hard as it has in favouring — and they are certainly favouring — the private sector over the organizations who want to get into the field, who are now in the field and want to expand, and this I guess, is the difference of philosophy. The Minister feels very strongly that there's a place for the private sector in this business. I have always felt that just as they left the field when hospitalization came into being in Canada, and private hospitals in Canada are a thing of the past, that personal care homes are in the same category, and I cannot accept that there should be profit attached to looking after elderly people or sick people, whether they be elderly or otherwise. It just goes against my grain in any case. But I'll recognize that the Minister feels differently so there's no sense in our arguing about it.

The only point I want to make though is that the privates are getting \$2.40 a day, whether or not their facilities are paid off. On the other hand, the non-proprietary get paid only to the extent that they do have a capital debt. If they don't have a capital debt, of course their per diem doesn't include any amount for retirement of the debt, whereas the private ones go merrily on their way getting a mean amount of what is paid to the non-proprietary.

Mr. Chairman, there is a cash flow here which I can see now why it's a good business for an entrepreneur to get into because he's getting paid for something which he may not really be using for those purposes. He doesn't need it for those purposes; his plant may be paid off long ago, and yet he's still getting that per diem as if he's still operating or paying off a capital debt. Of course, if he resells the property five years hence, a capital gain for whatever, that amount is going to keep flowing, I guess for ever and ever, or perhaps until all the non-proprietary homes have all paid their capital debt. In which case the mean goes down to zero, and at that time that may occur, but I won't live to see that, I'm predicting.

Mr. Chairman, I only want to register my disagreement with the Minister over his policy and hope that the day will come when we in Manitoba can say with pride that health is not something we buy and sell on a profit basis; that health is something that is a community concern; it's a social concern, and it's paid for by the public through non-profit organizations.

MR. CHAIRMAN: Line 2 — pass — the Member for Transcona.

MR. PARASIUK: I have a number of questions of a general nature that I was going to raise on March

17th, and I think to try and expedite I'll raise the questions and I assume that the Minister could provide me answers before we get to Minister's Salary, otherwise we can just go on for quite some time.

If you turn to Pages 27 and 28 of the Annual Report, there are a list of personal care homes with their rated bed capacity and the net MHSC payments. Could I get a list indicating which of those are non-profit and which of them are profit-making? It's hard to tell sometimes from the names; it's hard to say which ones have the more esoteric names, occasionally, but it's hard to tell from this list and we don't have to go through the whole list saying p and non-p at this particular time, but perhaps I can get that list by the time we get to the Minister's Salary. The list you gave me, with respect to capital expenditures, over the course of these three years does have that breakdown between proprietary and non-proprietary.

Also, I am wondering if the Minister could indicate which ones file audited financial statements and which ones don't on that list, or do I then just assume that everyone on this list that is a profit-making institution does not file an audited financial statement? If that's a valid assumption fine, but I would have thought that maybe one or two would have said, well sure, we'll comply with the regulation and, if that's the case, I would like to know which ones do because I think they should be commended for being law-abiding.

MR. SHERMAN: The answer to the honourable member's first question, Mr. Chairman, is yes, we can do that; and the answer to the second question is, yes we can do that, too. There are a minimal number of the prop homes in the list in front of us which do currently file audited financial statements, but the vast majority doesn't, but we can identify them.

MR. PARASIUK: I have a few other questions. The Minister, in response to my questions about nurses aides giving medications illegally, said that's not illegal. Frankly, I would like to know how one determines that. Are there a set of regulations or is it in the legislation; and in this respect, I guess, what are the regulations regarding the operation of a nursing home?

MR. SHERMAN: I'm sorry, I missed the second one.

MR. PARASIUK: What are the regulations or the rules regarding the operation of a nursing home? I don't want to become an instant inspector or anything like that, but the point is one should have some criteria for determining whether in fact people are doing the right thing or the wrong thing and there must be a set of regulations indicating how a nursing home should operate properly.

The reason why I raise this is that Ontario has published a book of regulations regarding personal care homes, and the Globe and Mail ran a series on personal care homes and I am certain that the experts in the area were following that. I assume that some of you get subscriptions to the Globe and Mail. Frankly in it the series was very damning of at least some private profit-making homes in Ontario. I know the situation isn't totally transferable, but enough

questions were raised in that series and there are all here and it's late and I don't want to start quoting from them, but there are some very very damning statements from the Globe and Mail which probably is the closest thing we have to a national newspaper. Occasionally it carries right-wing comments, occasionally it carries left-wing comments. I know that it even carried a commentary of the son of the Acting Deputy Minister of Health, so it can't all be that bad, I would think, if the Globe and Mail would do that.

I read the Globe and Mail with some interest and it had some fairly damning comments about private profit-making homes, and it made those judgments about the way in which nursing homes were operating in relation to the published regulations regarding the operation of personal care homes, and that's how it made its judgments about these institutions. So that when you get groups, this survey of the Canadian Union of Public Employees, maybe they thought that it's illegal, I'm not sure, but I would like to know what's legal and isn't legal. There should be that list of regulations regarding nursing homes, and I hope regarding hospitals; I know were not on hospitals, but I would think that if there's a set of regulations regarding hospitals there should be one regarding nursing homes.

For example, does there have to be a resident doctor, or a doctor on call; should there be a certain proportion of nurses or licenced practical nurses or what? Those are things I don't know. I would think there must be something that covers the points that I am raising, and I would just like to ask if that's the case.

MR. SHERMAN: Mr. Chairman, the reason that there is no constraint against nurses aides administering medication to residents in personal care homes is that there is nothing in the legislation, in any legislation, which forbids it. There is nothing in the legislation, in our health legislation, which says nurses aides cannot administer medication. As I have said, the medication has to be prepared under the supervision of a professional nurse, but it can be administered by a nurses aide. The legislation is completely silent on that point.

On the second point, yes, there certainly are rules and regulations and procedures for the operation of personal care homes and for the levels of care and staffing that have to be met and they are laid out in our own administrative manual which accompanies the legislation on the universal personal care home system.

Insofar as the situation in Ontario is concerned, and the Member for Transcona has conceded that you can't translate the situation from one province to another, I don't dispute that there are criticisms of nursing homes in other jurisdictions. There are certainly far worse criticisms of the nursing home business in many states of the United States than there are even in Ontario. But I have to go back to the basic facts and I give the previous government credit for this system, the program; we have, in Manitoba, a highly supervised, monitored, regulated, demanding system. It is not a free-wheeling open market business field. In Ontario most nursing homes are proprietary operations. —(Interjection)— Well, I think that probably explains my position on the subject, Mr. Chairman.

MR. PARASIUK: Can I get a copy of the administrative manual? I know you got me one last year. I'll tell you I have a good filing system. I sometimes have a poor retrieval system, so if I could get the administrative manual, I would appreciate it. I knew I got one last year.

MR. SHERMAN: We can certainly do that, Mr. Chairman.

MR. PARASIUK: I guess I would have one final comment to make, and that again comes back to — (Interjection)— No, I said that in relation to other questions. I think we've been pretty expeditious.

I think that the history of the private sector in the nursing home field has been a sad history. I don't think the industry can feel very proud of itself in the nursing home area. I know you can't transfer it, because I know we have the regulations here, but when I find companies operating in Ontario or in the United States, also operating here, I can feel a bit secure knowing that we do have a better system of regulations, but I am concerned that the system with private corporations becomes one of hide and seek, because if you didn't have the regulations here in Manitoba I think we'd have what exists in Ontario and what exists in the United States. So the market isn't operating well in this respect, it isn't policing itself well. There has been, agreed, there has been a lot of scandal in this area, and so I commend government for establishing the regulations to ensure that the quality of care is in fact as good as it can be. But I still have this nagging concern that if you have profit, and I would call it unearned profit, as an inducement in a personal care system, you will have this incentive to somehow beat the system as, in fact, it has been beaten in other jurisdictions where the regulations may not be as strong as they are here.

But I don't think governments should be in a constant battle with entities to ensure that the system isn't beaten and I would think that since we do have an alternative with sufficient capacity to meet the needs of Manitobans, namely the non-profit alternative, I believe we should be pursuing it.

MR. CHAIRMAN: Line 2 — pass.
Committee rise.

SUPPLY — FINANCE

MR. CHAIRMAN (Abe Kovnats, Radisson): This Committee will come to order. I would direct the honourable member's attention to page 58 of the Main Estimates, Department of Finance.

Resolution No. 61, Clause 1. General Administration, Item (c) Administration: (2)(a) Salaries — pass; (b) — pass — the Honourable Member for Burrows.

MR. BEN HANUSCHAK: Before the Committee rose, just shortly prior to 4:30, I had asked the Minister of Finance if he has any comment or response to make to the commitments which he had made to the people of Manitoba sometime between the dates of March 31st and April 2nd of 1977.

MR. CHAIRMAN: (2) — pass; (c) — pass; (d) Special Studies — pass. I'm not going to pass

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Clause 1. The Honourable Member for Lac du Bonnet.

MR. SAMUEL USKIW: Mr. Chairman, I want to ask the Minister whether he can give us some information on Special Studies. Last year as I recall, this item included the Tritchler Inquiry if I'm not mistaken and a number of other things. But there was also a tripartite committee set up between the MIB, the Department of Indian Affairs and the Government of Manitoba, with respect to transfer of costs for Native people off reserve and I'm just wondering what happened with those discussions. Also there was to be a report on ManFor and Flyer by the end of 1980, and I would like to know just what the results of those reports are.

MR. CHAIRMAN: The Honourable Minister.

HON. BRIAN RANSOM (Souris-Killarney): Mr. Chairman, the Minister of Energy and Mines who has responsibility for Flyer and ManFor will no doubt be able to deal with those questions. I understand that his Estimates will be next up in the House following mine. The item that remains in Special Studies is the Assessment Review Commission.

With respect to tripartite negotiations, Mr. Chairman, I think it's fair to say that that is one of the areas of communication with the Indian people in the province, that has continued on to some satisfaction of both parties during the period of reorganization within the political organization of the Indian people. I can tell the honourable member that this afternoon Cabinet met with representatives of the Four Nations Confederacy and discussed that issue along with a number of others, and I expect to see renewed activity.

MR. USKIW: Mr. Chairman, the Minister is obviously vague on the question. I would like to know whether the negotiations are under way or whether that is complete and it's before some sort of a review or analysis process at the moment. Have the negotiations been completed?

MR. RANSOM: No, Mr. Chairman, I can't say that the negotiations are complete. I don't think we could say that negotiations would be complete until the Indian people and the Provincial Government had achieved the ends that they both wished to achieve with respect to the Federal Government, and I think that could take some time.

There are other aspects of the tripartite negotiations that I would suggest the honourable member raise with the Minister of Community Services. There are discussions with respect to a Child Welfare Agreement that are included in the tripartite negotiations and the Minister of Community Services could best deal with that.

I think the honourable member will be aware of the figure that had been arrived at, perhaps even at the end of the period when he was in government, of a cost of some \$30 to \$35 million at that time, that was agreed upon among the committee that the province was in fact paying that cost for services for which the financial obligation lay with the Federal Government. There has not been much progress in getting that kind of money from the Federal Government to cover off the costs of the services that the province is delivering.

MR. USKIW: Mr. Chairman, is the Minister suggesting that there is no acceptance on the part of the Government of Canada whatever, that is the premise that they do have this responsibility, or is it a question of the amount of money that they are prepared to accept as their share of that burden? Because obviously there's quite a difference. If it's a question of money then it's a matter of working it out. If it's a question of accepting responsibility, then it's a no man's land situation in my opinion, since we've been at this game for a number of years. I would like to know just what the Minister's opinion is as to whether it's a matter that is accepted by the Government of Canada as a responsibility.

MR. RANSOM: Mr. Chairman, I have not been recently involved in the negotiations. The Minister of Community Services has been most recently involved. But it is my understanding at this point, that it is that no man's land that the Member for Lac du Bonnet refers to.

MR. USKIW: Does the Minister foresee then some unilateral approach or an approach jointly with the Native communities on this question, vis-a-vis the Government of Canada, or is he indicating that they are still prepared to carry on a series of negotiations with the Government of Canada?

MR. RANSOM: Mr. Chairman, I'm in the difficult position of knowing that there was some discussion of that question when the Four Nations met with Cabinet this afternoon while the member and I were still here in the House, this afternoon, I can say that the position of the Native organization and of the Provincial Government is very close. Perhaps it's even identical with respect to the delivery of the services and the responsibility of the Federal Government for cost-sharing.

I would hope that we could arrive at some solution with the Federal Government but I must say I'm not optimistic that it will come about shortly.

MR. USKIW: Then would the Minister be prepared to give us an update on the Assessment Review Commission's activities at the moment, just what is the target or the conclusion of their studies? What is the government's attitude with respect to the direction in which the studies ought to be going?

MR. RANSOM: Mr. Chairman, I know what the member is likely to say in response to my response, but the item shows in the Department of Finance Estimates clearly but the responsibility for the Commission lies with the Minister of Municipal Affairs. It reports to the Minister of Municipal Affairs and I would suggest to the honourable member that he can get the answers most directly from dealing with the Minister of Municipal Affairs.

MR. USKIW: Mr. Chairman, perhaps it's possible for the Minister of Municipal Affairs to participate in the discussion. We are dealing with an item of \$250,000 which is the amount of money used for the Municipal Assessment Review Commission, and the Minister from Municipal Affairs is here, and perhaps he might want to give us some indication as to just where the studies are at and what his expectations are as to the further direction of the Commission.

MR. RANSOM: As the member is aware, Mr. Chairman, if the Minister of Municipal Affairs chose to participate in the debate at this time, I certainly would have no objection to that.

The Estimates of Finance are before us. I'm sure if even though this item was passed here and not dealt with by myself that the Minister of Municipal Affairs would of course be prepared to deal with it when his Estimates arose.

MR. CHAIRMAN: (d) — pass.

Resolution 62, Clause 2, Treasury Division, (a) Salaries — pass — the Honourable Member for Burrows.

MR. HANUSCHAK: Four years ago the Conservative party had indicated to the people of Manitoba that it was their intention to monitor Federal increases in the money supply and, as part of provincial responsibility for sound management of the economy, to oppose inflationary increases, and I would think that whatever the Minister had done within this area would probably fall within this appropriation, could the Minister comment on that? Could he indicate to us what success he's had in opposing inflationary increases?

MR. RANSOM: The previous Minister of Finance, Mr. Chairman, the present Minister of Energy and Mines, along with the other provincial Finance Ministers did have the opportunity to meet with Governor Bouey of the Central Bank some months ago, and they had an opportunity to question him and to express the grave concern that all provincial governments, and I am sure the Federal Government also hold, concerning the impact of inflation and high interest rates upon all of us, most particularly — well I won't even begin to identify those that it hits harder than others because it impacts heavily upon all of us. He did have the opportunity to express those concerns and to at least be aware of the reasoning, rationale, behind the position of the Central Bank, and when the Member for Lac du Bonnet said this afternoon that perhaps we are devoting too much time to the Constitution and not enough time to the economic matters of the country, I think that we would agree in general with that, that the country would be better off concentrating on those problems rather than upon Constitutional ones which, although important, would not be that pressing were it not for the position of the Federal Government.

We feel along with other provincial governments, Mr. Chairman, that if the basic structure of our country is being challenged, whenever it is being challenged we must stand and do what we can, and if the changes go ahead that, for whatever small measure of satisfaction there might be in it, that if it does go ahead in years past, that at least someone is going to be able to say we stood and did what we could to prevent it. We have been pressing the Federal Minister, the Federal Minister of Finance, for another opportunity to meet with him to discuss economic matters. The Federal Government I think is not particularly anxious to enter into those kinds of discussions at the moment while the constitutional debate is foremost in their minds, and of course there has been an election taking place in Ontario which I understand the most recent reports is going very favourably for the Davis government there. And

now, of course, there's an election under way in the Province of Quebec, and so I don't anticipate that we . . .

MR. USKIW: After that there will be one in Manitoba.

MR. RANSOM: Well, we're prepared to do business, Mr. Chairman, but I don't anticipate that we will be able to meet with the Federal Minister of Finance in the immediate future.

MR. CHAIRMAN: Pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Well, Mr. Chairman, I would like to pursue that for a moment. The Minister, at least briefly, responded to some of the questions that I raised earlier on in the day. But he didn't deal with the very important question that was put to him, and that is what is the Provincial Government's attitude or policy with respect to the rate of interest charges in Canada today; and what position are they advocating to the Government of Canada on that question?

It seems to me that it would be logical for the Premiers, who ought to be concerned with this, to have some sort of an approach, collective approach, vis-a-vis the Government of Canada; an effort that would hopefully bring down, to some degree, the interest rates. Moderation to at least some extent is desirable and, not only desirable but needed, badly needed at the moment. Surely the Province of Manitoba must have some attitude or policy on that question.

MR. RANSOM: Mr. Chairman, I think if I recall correctly, the member in speaking this afternoon acknowledged that the circumstances that we face today are rather, well, gruesome to say the least, he says from his seat, I guess that's one way of describing it. They're certainly different than governments have faced for some time and the future tends to be unknown. A lot of the forecasting methods that perhaps have served reasonably well in the past don't seem to be serving that well now. We readily say that we do not pretend to have the answer to what should be done; we know what some of the impacts are of inflation and the high interest rates. We know that the countervailing fluctuations in the value of the dollar can also have an impact on us and rather than taking a position and saying this is what should be done, I think what the provinces are looking for rather is an opportunity to sit down with the Federal Government and make sure that everyone understands the problems that are being faced and be able to discuss what alternatives there are for dealing with it.

I think the member made reference this afternoon to a lack of capability of the Provincial Government to do the sort of forecasting that is required to do planning. I agree with the member to a very substantial degree; I don't necessarily agree with him on the objectives that we should be working towards but I agree on some of the techniques and the tools that are required if one wants to really understand where they've been and where they are going.

So rather than take a hard position with the Federal Government saying we know what should be

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done. I think the most that we can hope for, and the most that we can contribute, is to be able to sit down and discuss with them and be made privy to some of the information and some of the reasoning that they have available.

MR. USKIW: Mr. Chairman, I don't presume to have any expertise whatever on the question of how to handle the current exorbitant rate of interest charges placed upon the shoulders of the Canadian people, but I do know the affects of those rates; I am sure the Minister does, and that is the problem that we face. We know what is happening and we know that it's having disastrous impact on many individuals, many business throughout the country; certainly many in Manitoba. It seems to me that the least we should be prepared to do is to do a very thorough in-depth analysis of what the options are and their impact and then make a decision based on that knowledge.

I don't know whether the Minister has asked his Department to do that kind of a study for him; if he hasn't I suggest he should. You know we are now into year two of a very volatile interest rate structure in Canada and there doesn't seem to be any light at the end of the tunnel on that question either. It may be that we're into a decade of financial instability, but if that is the case, you know, it's going to cause real problems for many people. It seems to me that when we have people such as Professor Bellan and others suggesting that we take a look at it and even try for a time frame imposing exchange controls and, even at the risk of the lowering the value of the Canadian dollar marginally, that trade-off is probably not a bad deal for us. At least I would like to know that it is a bad deal if it is, or if it isn't.

We are sort of in no man's land, Mr. Chairman, because we don't have the expertise providing us with this information. It seems to me that any Department of Finance would want to zero-in on that very question, so that we would have at least a clear understanding of what our real options are that might be practical for a period of time. I'm not saying that you would have to impose any new system on a permanent basis, but certainly I think it's worthwhile to suggest an interim period of three to six months, you know exchange controls might be the option. But let's find out if that's a good option, and let's give it a time frame during which it would prove itself or otherwise and then we can judge it from that point. But doing nothing I think, Mr. Chairman, has to be, well I have to say, Mr. Chairman, irresponsible; irresponsible, not only in the part of this government, on the part of all governments, the Government of Canada, because it is having devastating effects on so many people, financial tragedies all over the country, Mr. Chairman, and Manitoba seems to be heading the list as to the number of bankruptcies.

I know one can always rationalize bankruptcies on the basis of management, or the lack of management, but, Mr. Chairman, when you have such an escalation of bankruptcies occurring, as we have witnessed in the last year, it's more than just management, it does indicate a serious problem in the financial structure of the country and it does indicate that something has to be done. If it isn't done, then we are going to face the ruination of many many very capable individuals who have been

to date doing a fair job in industry and entrepreneurship and in providing jobs for other people.

MR. CHAIRMAN: Pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Well, Mr. Chairman, I hope that the Minister, if he doesn't want to respond at the moment, would at least take some cognizance of suggestions, whatever their value is, I hope there is some value in them. It's not a matter of just wanting to be critical of the government, Mr. Chairman, but rather a matter of being concerned with the impact that conditions, such as I've described, are having on the people in this province and in this country.

I would like to ask the Minister whether or not there has been any change with respect to the borrowing policy on the part of the government. The amount of borrowings in recent months or anticipated in the next few months and the policy of where the government is looking for loan capital?

MR. RANSOM: Mr. Chairman, no change since the Estimates were reviewed a year ago.

MR. CHAIRMAN: (a) — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Well, Mr. Chairman, I have difficulty with that. Let me ask the Minister whether he accompanied the Premier on a trip to various parts of the world, financial markets of the world, in recent months. The Minister is suggested that he didn't. I recall a report of a few months ago where it was reported that the Premier was into some of the money markets in Europe, and I simply raise the question because I understood it to be — (Interjection)— Yes that's right, there was a document filed in the Legislature, the Leader informs me, the Leader of the Opposition informs me. What was the purpose of that exercise, if the government has no intentions of entering those money markets, Mr. Chairman?

MR. RANSOM: Mr. Chairman, that really was not a specific mission for the purpose of borrowing money. The intention was for the First Minister to have an opportunity to meet some of the people in financial circles in those parts of the world to discuss some of the very sorts of questions which the member was just outlining; seeking advice from whatever source it may be obtained, but if borrowing was being contemplated it would be contemplated in Eurodollars.

MR. USKIW: Well, I then want to pursue the question of the kind of borrowing the government is anticipating in the months ahead. The announcement of today of, I believe it's \$110 million, from the Province of Alberta is a substantial amount and is that the total amount that the government is into the money market for, for some period of time, or are they going to go into the market beyond that point?

MR. RANSOM: That certainly will not be the only requirement that the government has, Mr. Chairman.

MR. USKIW: Could the Minister indicate then what volume of financing he is looking at in the six months

forward or the next fiscal year, if he wishes. Could the Minister give us some indication as to the kind of capital that he will be looking for, the volume?

MR. RANSOM: Mr. Chairman, the borrowing that was concluded today represents the last of the borrowing for 1980-81 and when the budget is presented all members will be made more aware of what the requirements of the province might be.

MR. USKIW: Well I guess I couldn't sneak one in ahead of the budget, Mr. Chairman. I would then like to ask the Minister, the Minister indicated moments ago that the policy has not changed, but then he qualified that by suggesting that if there is going to be any money borrowed it will be in Euro-dollars. That in itself must represent a policy change, because I understood the policy to be that the government would contain itself within the Canadian, and indeed the North American, money market and we are now talking about Euro-dollars; if we are talking Euro-dollars, are we talking about risks relative to the exchange rate.

MR. RANSOM: I don't believe that it represents a change in the policy since last year at all. The policy has been to borrow in Canadian dollars or American dollars or in Canadian Euro-dollars or American Euro-dollars; it could be borrowed in Europe.

MR. USKIW: Has the Department of Finance been able to establish whether or not, at this stage, it makes any sense in going back into the other currencies, given the fact that the Canadian dollar is at a low value relative to other currencies and that, is if there is expectation of an improvement in Canadian dollar value, relative to those currencies, it would make sense to be looking in those markets, Mr. Chairman, which is the exact opposite of where we were several years ago?

MR. RANSOM: Mr. Chairman, it is not being recommended. I suppose that one of the reasons might be that because the requirements have not been that large that it isn't necessary to contemplate the kinds of risks that would be involved in doing it, and the members opposite are fully aware of the risks that are involved in that sort of borrowing.

MR. USKIW: Mr. Chairman, I would like to ask the Minister what risks he is talking about. I know the risk factor when we have a fairly highly valued Canadian dollar relative to other currencies, but if you feel that you are at the bottom in that relationship, then it seems to me the risk factor is on the other side of the ledger, unless there is some expectation that the Canadian dollar is going to continue to devalue relative to those other currencies.

MR. RANSOM: I'm talking about the risk of borrowing 100 million Swiss francs and having that cost you \$27.5 million extra five years later.

MR. USKIW: Can the Minister then confirm that what he truly believes to be the case is the further weakness of the Canadian dollar that would result in that kind of a loss in the next five year period, is he predicting then that the Canadian dollar is going to take another deep slide relative to other currencies?

MR. RANSOM: It's not being predicted, Mr. Chairman, but there is a great feeling of uncertainty in the financial community about circumstances that prevail today, probably more uncertainty than has been experienced for a long time. And at the moment, the prudent advice is that one doesn't enter those markets.

MR. USKIW: Is the Minister saying that the best advice he has from his department and agents, brokers throughout the world, that the time now is to stay out of that kind of a market, is he telling us that the brokers are advising him that, is he telling us that the department expertise are advising him to stay out of those markets?

MR. RANSOM: I think perhaps we have to make the distinction, Mr. Chairman, that had we made the policy decision to be in those markets, I'm not saying that the experts would not be recommending us to be borrowing at the moment, but the policy is not to be in those markets, and that appears to be the most prudent policy. So we're not contemplating the day-to-day changes in the markets because policy says we're not going to be there.

MR. USKIW: Mr. Chairman, I appreciate the fact that the Minister is confined to announced policies, but I would like to pursue the matter, and the question is, whose policies is he following? Is he following the dictates of the politics on those policies, in retrospect, having made certain statements and commitments that they now do not want to shy away from, and then to be accountable because of, or is he, in fact, telling me that those policies coincide with sound, departmental advice, advice from the brokerage people that handle the money system, what is the basis of that policy decision? I appreciate the fact that if the government tells the bureaucracy that they are not to look at that option, that that is a policy decision. But I would like to know the basis of that decision and I would like to know whether the bureaucracy, or the expertise in the department concurs with it as prudent advice to the Minister of Finance in terms of money management?

MR. RANSOM: I can assure the honourable member that indeed that is the case, Mr. Chairman, that they concur with the policy that presently exists, that policy is based not only on the excellent advice that we get from staff in our department, but it's based on advice that we get from money people here and in Toronto and in New York and in Europe; that is a prudent policy, and to this point I think that our record has been rather satisfactory, as compared to some of the policies that have been adopted previously.

MR. USKIW: Mr. Chairman, just to recap once more. Is the Minister confirming that his advice, or the advice he has received from the Department of Finance, from the expertise in the Department of Finance, and from the various brokerage firms is, in fact, that the government should stay out of those particular money markets, and that there are reasons for it having to do with risk factors?

MR. RANSOM: At the moment that is the case, Mr. Chairman, but I would also acknowledge that the

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policy might change. One can't say that the same policy will be in existence at the end of our next term or five years from now.

MR. USKIW: Perhaps the Minister would want to respond to the question of what threshold figure, in terms of financial loan requirement, does the Minister foresee a change in that policy? If he needs \$300 million does he then accept the idea that he's going to have to go into those markets, or is the threshold figure 400 million or is it several hundred million? At what point, in terms of borrowing needs of the province, does that policy have to be looked at and reopened, Mr. Chairman?

MR. RANSOM: To some extent the question is hypothetical, Mr. Chairman. On the other hand, I don't think that the question or the answer necessarily hinges on the amount of borrowing that's involved, although obviously that could come about. But one would hope that the policy decision could be made more on the basis of where the province can get the best deal rather than being forced into markets that prudence would tell them they should not be in.

MR. USKIW: Mr. Chairman, I don't know what the government's intentions are but I know that the government has, on numerous occasions, indicated a desire to proceed with the Limestone Generating Station, depending on certain other things that might happen in the Manitoba economy, and perhaps dependent to some degree on some agreements with other jurisdictions on the use of power; but if it materializes, as the government hopes it will, that that project will be launched, then it's obvious that the government will be in need of very substantial capital supply to launch that project, and therefore that is the light in which I put the question. If we proceed with that size of a project in Manitoba, or something approaching it, is the Minister telling us that those kinds of dollars, or the volume of money that he will require, will be available in North America?

MR. RANSOM: It's not possible for me to answer that question, Mr. Chairman, and I don't mean to treat it lightly by any means. It's obviously a very significant question for the province. At the moment it is hypothetical; we hope that it will not be hypothetical as time passes, but I referred to the uncertainty that is felt in the money markets right now. The situation is — whether volatile is the right term to use — but fluid, my colleague from Lakeside says and from my limited exposure that I have had to people offering advice is, that situations exist for a period of hours and disappear again, and it simply is not possible to answer the very legitimate question that the Member for Lac du Bonnet raises.

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

MR. USKIW: Mr. Chairman, the Minister is not going to get away with snowing me on that one. I know that the Minister's advisors know, that after a certain amount of capital supply requirement, that there's no question in their mind, that they have to go beyond the borders of this continent to reach those kinds of

figures in terms of borrowing capital, and that's a common thing with every finance department in the country.

They know the parameters of each situation; they know the availability of capital supply in the country and on the continent on a day to day basis, and if you were to throw to them a proposition that tomorrow we're going to decide to build a \$1 billion project, they will give you a fairly educated guess as to where you're going to have to look for that kind of money. I think if the Minister wants to ask his Deputy right now, as to whether or not the Limestone Generating Station capital requirements would require the province to go beyond this country and this continent, I'm sure he'd get an answer right now.

MR. RANSOM: Then I would be asking the Deputy a hypothetical question, Mr. Chairman. The fact of the matter is that while they could tell us today what happened, they cannot tell us what the situation will be three months from now or six months from now or a year from now. I'm quite certain, Mr. Chairman, that question will have to be addressed before too many more months have passed, but the situation is so fluid and uncertain, that it is impossible to predict with any certainty more than a few — well I won't even say how far into the future — but I think the experts simply won't try and predict into the future.

MR. USKIW: Mr. Chairman, I don't doubt that the expertise and the Minister don't want to predict the future, because I know that to the Minister in particular the future was somewhat gruesome.

But, Mr. Chairman, the Minister perhaps is in a fair position to know whether or not the Government is intending to proceed with a project such as Limestone and if he knows that, then he knows exactly the volume of capital that he is going to require in order to launch that project. It's not as if we are inventing something here, Mr. Chairman. The Minister and the Premier and his colleagues have talked about Limestone for the last six months in light of Alcan; in light of the Potash people; in light of the mining people and in respect of the Power Grid, all of these things were thrown at us over and over and over again and if we just get these things on track, we will have to build that generating plant. Mr. Chairman, I think the Minister is looking at \$2 billion there if I'm not mistaken, perhaps he will correct me, but I believe it's somewhere in that range.

So, is the Minister saying that he has now changed his mind, that it doesn't look like we're going to get the demand for that power in the near future; that that is again further away and that there's no expectancy that we're going to go ahead with the Limestone Generating capacity in the near future, or even in the foreseeable future, Mr. Chairman.

MR. RANSOM: I should perhaps announce for the information of the members, Mr. Chairman, that it seems the present standing in the Legislature of Ontario would be Progressive Conservatives 70, Liberals 34, and the NDP 20. —(Interjection)—

A MEMBER: That's just the portents of their future in Manitoba.

MR. RANSOM: Mr. Chairman, I know that the honourable member is both asking a legitimate

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question and at the same time trying to leave his information about the future developments within this province and I'm afraid that I'm not going to give him a definitive answer as to just precisely when we intend to get on to those projects. But some of the projects he referred to, of course, there are alternative ways of financing that perhaps have to be examined and we will be examining alternatives as events unfold.

MR. USKIW: Mr. Chairman, I have to admit that is indeed the exercise that I was embarked on, but obviously I didn't get anywhere with it, either because the Minister doesn't know the answers, or if he knows them he doesn't want to reveal them at this stage, and that's fair game. I do know that the Deputy Minister is in a position to tell him today that if one of those things were to take off, if the project were launched, that the Deputy Minister would know whether the capital supply was available in Canada, in North America or whether we would have to go beyond the boundaries of this continent to be able to launch those programs.

Mr. Chairman, I believe we can discuss it under this item, and that is the question of Flyer Industries. I believe the government was involved in studies having to do with either — no it was ManFor, I'm sorry it's ManFor — on whether there is some means of getting enough capital put together to add another significant expansion thrust with respect to the ManFor project at The Pas. I would like to know whether the Minister is in some way, going to be involved in providing funding for that kind of expansion that apparently according to the government, is necessary if that operation is going to remain viable.

MR. RANSOM: Mr. Chairman, the negotiation examinations of different options for ManFor are still under way, and the Minister of Energy and Mines is responsible for those as the member is aware I'm sure. I think any questions that he has in that regard should be placed with the Minister of Energy and Mines. He will not find any item included in the Estimates before us to deal with that subject.

MR. USKIW: Well, Mr. Chairman, I don't expect it to be an item, but we're dealing with the Finance Department who from time to time, is called upon to arrange for the financing of large projects such as that. If it is done in the public domain or if it's a joint venture or whatever it is, I'm sure that the Minister of Finance is going to be involved in that decision, and so is his Department in finding the money.

Now the reason I raised the question, Mr. Chairman, is simply because when an announcement was made a few months ago, I believe by the Minister of Energy, it was stated that the government was looking for ways and means of expanding that facility in order to ensure its continuity and in order to guarantee job security for the people at The Pas; and the conundrum the government had at the time, according to my recollection, was they didn't know whether they could put something together which would result in financing being made available to make it happen.

The Minister of Energy didn't know where to find the money to do this necessary expansion at The Pas. I always assumed that if one Minister of the

Crown had troubles in finding money that the first step he would take is cross over to see the Minister of Finance to find out if he knew where the money could be found, Mr. Chairman.

MR. RANSOM: He was the Minister of Finance.

MR. USKIW: Well, all right he was the Minister of Finance, so he couldn't find the money in his own Department. Mr. Chairman, I have never believed for one moment that the people of Manitoba were not strong enough to finance any project that they wished to undertake, but a few months ago the former Minister of Finance tried to make the people of Manitoba believe that the project is necessary, that all it needs is some expansion, and that requires some capital and if we can just find a means of getting the capital we will expand the operations at ManFor. Now for a Minister of Finance to tell us that he doesn't know how to find the capital for a worthwhile project, as he described it and he said it was a worthwhile venture, it was going to do great things if we can just put this together, I can't understand why the Minister of Finance hasn't been able to find that capital, Mr. Chairman.

MR. RANSOM: I'm not sure what the former Minister of Finance said precisely, Mr. Chairman, so I will approach that with a certain amount of caution but the Member for Lac du Bonnet of course has a particular philosophy about the role of government and controlling the means of production in society and happens to believe that a very substantial degree of state control is not only a workable but a desirable item in our society. We obviously have a basic difference there.

One item that the member omitted from his brief description when he talked about all that's required is simply to get the capital and expand the program and get on with it is an item I suppose you could simply call management. That is something that often seems to be lacking in government economic enterprises and from our position, from the point of view of our ideology, if you like, Mr. Chairman, given our choice we would prefer not to have the government any more extensively involved; we would prefer to see private sector brought in because of the capabilities, the advantages that the private sector has to offer to the operation of a plant such as ManFor. I guess I can assure the member that, on the basis of negotiations that have taken place so far, we would not anticipate a very significant amount of capital having to be raised by government.

MR. USKIW: Mr. Chairman, at least the Minister is candid as to what is his roadblock into achieving a desirable result with respect to the expansion of the ManFor facility, and he is correct, there is obviously a major difference in ideological approach between himself and myself, Mr. Chairman. There is no question at all that I would find little difficulty in having a greater degree of government participation in economic activity whether it's ManFor or other things, providing it was in the best interests of the people of Manitoba, and that's always the qualifier, Mr. Chairman, it has to be in the best interests of the Province of Manitoba.

What is disturbing to me, Mr. Chairman, is that the Minister suggests that, notwithstanding what is good

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for the people of Manitoba, ideology prevents us from doing it, and that to me, Mr. Chairman, is a degree of irresponsibility. I don't believe that the people of Manitoba give a hoot ideologically as to whether that enterprise is public or private, or private and public together or whatever the mixture is. I believe what they are concerned about is that if there is need for enhancing the viability of ManFor that we get on with it one way or the other or a combination of the two. I don't think the people of Manitoba are hung up on how it's to be financed and how it's to be managed.

The Minister also takes a swipe at management in the public service, Mr. Chairman. Oh, yes, the Minister said that, "government enterprise lacks good management". That's right, "government economic enterprise lacks good management", the Minister of Finance, Mr. Chairman. The fact of the matter is he has not decided to sell Manitoba Hydro to the private sector; he has not decided to sell Manitoba Telephones to the private sector; he isn't complaining about the incapacity of the management of those two corporations who have been operating in this province for many many decades very successfully, Mr. Chairman, and have done a better job than private utilities have in other jurisdictions in this continent and can be measured so, Mr. Chairman.

So, Mr. Chairman, I don't know where the Minister's problem is. We have demonstrated with respect to the most important utility, the Manitoba Hydro Utility, that we can manage it in the best public interest and manage it well. We have done the same thing with Manitoba Telephones, but somehow the Minister is hung up. He says we need more expansion, perhaps renovation and upgrading at ManFor to make it viable, but we don't have the money; we can't find people with money. I know that there are a million people in Manitoba that have the money, through the auspices of the Minister of Finance, if it is the will of the government of Manitoba to do it. It makes sense to do it and the Minister should be doing it. He should be recommending to his colleagues that it be done and he should ensure the future security of the ManFor operation based on sound economic analysis and sound financial backing, Mr. Chairman.

He doesn't have to look beyond the borders of this province for some financier to come into Manitoba to put his money into that project on a favourable basis to the Province of Manitoba, because that is the only way anybody would come in at this stage, if it was favourable to themselves, and not so favourable to the Province of Manitoba, otherwise why would they bother?

Mr. Chairman, he is really suggesting that what we need is somewhat of a repeat of a situation that we had when that project was originated, and certainly we are not looking forward to that kind of a formula, Mr. Chairman. So I say to the Minister, if there is viability based on remodelling expansion at ManFor, then for heaven's sakes, do it. The people of Manitoba will back you up, Mr. Chairman, regardless of the style of entrepreneurship, whether it's public, whether it's private, or whatever, they will not condemn you for doing it, Mr. Chairman.

MR. CHAIRMAN: (a) — pass; (b) — pass; (c) — pass; (d) — pass; 2. pass.

Resolution No. 62 — pass.

Resolve that there be granted to Her Majesty a sum not exceeding \$662,000 for Finance, Treasury Division, \$662,000 — pass.

Resolution No. 63, Clause 3. Comptroller's Division. (a) Comptroller's Office: (1) Salaries — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, would the Minister be prepared to update us on just what is taking place in the Comptroller's division with respect to the filling of the Comptroller's position. It's been vacant for a long, long time, I'm not sure if it has been filled to date and, if it has, I would like to know by whom.

MR. RANSOM: Mr. Chairman, we discussed this issue fairly extensively in Public Accounts a couple of weeks ago and there has been no change in status since that time.

MR. USKIW: Mr. Chairman, could the Minister indicate just how long it is now since that position became vacant and when he anticipates the hiring of another person to take that responsibility?

MR. RANSOM: It's been vacant for over a year, Mr. Chairman, and I anticipate filling the position as soon as we are able to identify a suitable candidate to fill it.

MR. USKIW: Mr. Chairman, is the Minister indicating that he has been searching for someone that might fill that position for a year and has been unable to find anyone? Can he tell me whether the job has been bulletined, advertised, or what has taken place here with respect to seeking applicants for that position?

MR. RANSOM: The Deputy Minister has been searching for a replacement, Mr. Chairman.

MR. CHAIRMAN: (1) — pass; (2) — pass; (a) — pass. (b) Systems Planning and Development: (1) Salaries — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman, would the Minister care to give us an overview of the operation of the Systems Planning and Development. I know that there was, as I recall it, a computer system established sometime ago and I believe that while that is being done the manual system had to continue up to a certain point until the computer became totally operational. I would like to ask the Minister to give us an idea as to whether we're now strictly on a computer model basis here or whether we are using both the computer and manual systems on a parallel basis at this point in time?

MR. RANSOM: I'm advised that it's fully computerized now and is working extremely well.

MR. USKIW: Is the Minister then confirming that the manual system has been disbanded?

MR. RANSOM: I am advised, yes.

MR. USKIW: Yes. Could the Minister then advise as to the reallocation of staff resources. I would have to

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assume that there were some substantive number of staff requirements under the old system that would no longer be required. What is the disposition of the staffing in that particular section?

MR. RANSOM: It would appear that there has been a reduction of four staff man years.

MR. USKIW: How many staff were involved in the manual system? The reduction is four, are there any remaining staff members still there that were on the manual system?

MR. RANSOM: I'm advised that the remaining people are involved now with the computer system.

MR. CHAIRMAN: (1) — pass; (2) — pass; (b) — pass. (c) Disbursements and Accounting: (1) Salaries — pass; (2) — pass; (3) — pass; (c) — pass.

(d) Canada-Manitoba NORTHERN Agreement (1) Salaries — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, would the Minister care to give us a policy statement on the Canada-Manitoba Northland Development Agreement?

MR. RANSOM: I'm not sure exactly what the member had in mind by asking for a policy statement, but I can tell him that the negotiations have been ongoing with the Federal Government for some time. We are hopeful that they will be concluded shortly. The Federal Government had expressed some desire to conclude all of the agreements that were under negotiation at the same time and so there was some potential problem concerning retroactivity on portions of the new development agreement that were, to a large extent, continuations of the existing Northlands Agreement, and we have recently been in touch with the Federal Minister again trying to urge him to assure us that there will be retroactivity.

Some of the items under negotiation are quite similar to those that were ongoing in the previous agreement and some will be expansions and some will be different. At the moment I can't say how soon we will be able to conclude the agreement, we hope that we will be able to do it shortly.

MR. USKIW: Mr. Chairman, I had the impression for some time that the log jam was not with the Government of Canada but rather with the Government of Manitoba. A year ago we discussed the expiration of the old agreement which expires at the end of this month, and the then Minister indicated that likely the new agreement would be ready and take its place at the beginning of the next fiscal year, which is only a few weeks away. What is the difficulty in the negotiations? Is the department not in a position, or has it not been in a position to put its proposal forward early enough, or is the Government of Canada delaying an answer to the proposals that have already been submitted?

MR. RANSOM: I suppose it's very easy indeed, Mr. Chairman, to try and lay the blame on somebody else's doorstep for what's happened.

I don't think that the province has unduly delayed the implementation of a new agreement. We have

had proposals under discussion since last fall, I guess with the Federal Government. There have been some differences of opinion, of course, between the province and the Federal Government as to what items should be included in the agreement and which ones should not and any time you encounter a difference of opinion as to what should be included, it takes some time to resolve that, given the kind of staff work that has to be done. Then during the period around Christmas and shortly after, there was a period of time when the Federal Government especially was delayed in consultations with some of the Native people, for whom the Federal Government has direct responsibility. That did result in a period of delay when they were attempting to set up consultation, but I don't think that it's possible to identify any one thing that has led to the delay.

We certainly would like to have had the agreement concluded by this time, of course, to have it in place when the other one expired, but we now expect at least to be able to have the other one made retroactive to when the Northlands Agreement expires.

MR. USKIW: Two questions, Mr. Chairman. The Minister doesn't have a figure for this item, so I presume that there is some reason for that. I would have thought that if the negotiations were well under way, that an approximate figure would have been known to the Minister and that we would have had an appropriation or resolution here for X number of dollars. Why does it show zero dollar requirement here? I'm sorry. We don't have a comparable figure here, last year versus this year.

MR. RANSOM: I think there are comparative figures shown for the staffing that's involved within the agreements. Throughout some of the other departments that are involved, there are items budgeted for basically those programs that are more or less continuations of Northlands, but we increased the amount of money in the Enabling Vote from 15 to 20 percent, so we have a somewhat larger amount of money in the Enabling Vote, recognizing that as you begin new programs that it takes some time to begin to flow the money and we expect therefor, to be able to utilize money in the Enabling Vote, to get some of the newer initiatives under way, as the year passes.

MR. USKIW: I'd like to clarify that point, Mr. Chairman. Is the Minister saying that the appropriation will appear in other departments and that's why it does not show here, other than the salaries? Is that the explanation, Mr. Chairman?

MR. RANSOM: Yes, Mr. Chairman, and if the honourable member will look at page 1 in the summary of the Main Estimates of Expenditure, he'll see \$9 million and some on the last year's Canada-Manitoba Enabling Vote and \$14 million and some in this year's Enabling Vote.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Yes, one last question on that item. Is the Province of Manitoba going to lose any revenue because of its inability to conclude an agreement

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with the Government of Canada? In other words, as I understand Federal-Provincial cost-sharing arrangements, at least from past experience, was sort of if you didn't use up the money that was available, the Federal portions were reallocated to other provinces. Are we in that position on the Canada-Manitoba Northlands Development Agreement? Are we going to lose some money because of the delay in the agreement?

MR. RANSOM: Mr. Chairman, I think I'm safe in saying no, that we will not be losing funds. In some areas in fact, I believe payments of recoveries of funds will be extended for a period of at least a year.

MR. CHAIRMAN: 1. — pass; 2. — pass; 3. — pass; (d) — pass; Clause (3) — pass; Resolution No. 63 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$1,951,400 for Finance.

Comptroller's Division \$1,951,400 — pass.

Resolution No. 64, Clause 4. Taxation Division, (a) Administration, (1) Salaries — pass - the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, I wonder if the Minister would give us a breakdown of the expected yield from the various tax sources as described in this resolution.

MR. RANSOM: Mr. Chairman, these are the spending Estimates of the department and the revenue Estimates will show at the Budget.

MR. USKIW: Mr. Chairman, I have to admit that the Minister is still within his bearings here this evening. He's not going to give me any advance information whatever.

The Estimated revenue last year in the gasoline tax area was \$61,500,000.00. Perhaps the Minister is in a position to tell me how much that has increased by the increases in the gas tax, based on the new system of taxation which reflects a new source or additional revenue to the province, every time the oil prices are increased in Canada.

MR. RANSOM: Mr. Chairman, I believe there have been two increases of .6 cents a litre, that raised about \$800,000 a month.

MR. USKIW: Mr. Chairman, as I calculate the increases, they in total amount to 30 percent over the original flat rate that was in existence. So if we take 30 percent of \$61 million, we're in to well over \$18 million of additional revenue, just on the increases announced to date.

So I would like to ask the Minister, just on the basis of those figures, what kind of revenue figure we will end up with at the end of this fiscal year and what it will be at the end of the next fiscal year.

MR. RANSOM: I can't answer that question, Mr. Chairman. There will be an estimate included in the Budget but of course it bears on the price of gasoline, obviously, that's being sold by the nature of the tax. You will see what sort of an estimate we have made when the Budget is presented.

MR. USKIW: Mr. Chairman, I recall the Budget debate a year ago wherein I described the change in

the gas tax system as one which was the sleeper of the Craik Budget of 1980-81, because that is the Budget item that was going to yield very substantial sums of revenue, based on the fact, and the expectation, that oil prices are going to continue to rise periodically and more than once per annum and, at that time, I believe I mentioned figures in the order of two or three times the present revenue item figure here shown at \$61.5 million.

If you calculate, Mr. Chairman, that we have already had a 30 percent increase in the taxation on a gallon of gas, we now find that we can add \$18 million on an annual basis at 30 percent, so it seems to me, Mr. Chairman, that I was perhaps a little on the conservative side in making the estimate a year ago that indeed the gas tax is a much larger bonanza than even I had envisaged at that time. And I can appreciate why the government is somewhat sensitive in giving of the figures that they believe they will receive for the revenues from this item, because it certainly aggravates, the revenues that are drawn into this item from the people of Manitoba certainly do aggravate the already escalating prices of gasoline. And the government is hoping that by doing it this way that they will be able to capture huge windfalls twice and three times a year without the penalty of public recrimination on government tax policy, and it indeed is developing as the sleeper, as I had predicted a year ago, Mr. Chairman.

MR. RANSOM: Mr. Chairman, I'm sorry, I misunderstood the earlier question; it was with respect to 1980-81; I was thinking the member was asking 81-82. I can't really answer the first one either but the first increase didn't take place until, I think, the 1st of November, and the last increase a month ago.

The member refers to it as a windfall tax in that the government doesn't have to announce an increase each time, of course we do announce when the increase goes up. The honourable member has been in government and knows that revenues have to come from some source. This happens to be one that I think six provinces have gone with now and our friends from Saskatchewan led the way.

MR. USKIW: Mr. Chairman, I simply want to draw it to the attention of the Minister, if he hasn't already established a figure in his mind, that if the old rate is going to yield \$61.5 million, and we apply a 30 percent increase each year — and we have had a 30 percent increase since this figure was established — on the tax level in this province on a gallon of gasoline, that in 2 1/2 years the Minister is doubling his revenue at 30 percent per annum on a compound basis. So it is indeed a very substantial revenue item that we are looking at and I intend to remind the Minister each time as to what it amounts to, and would hope that he corrects me from time to time because his corrections are not going to be in the area of huge sums of money, it'll be in the area of decimal points, Mr. Chairman.

MR. CHAIRMAN: (1) — pass; (2) — pass; (a) — pass. (b) — Retail Sales Tax Branch: (1) Salaries — pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I wonder if I might raise a question or two with the Minister having to

do with sales tax on children's clothing. Perhaps the Minister would refresh my memory as to when this particular change came into effect, the change being sales tax exemption on the basis of age rather than on the basis of size and what was the age, is it under 14 or under 13?

MR. RANSOM: I believe it was two years ago, Mr. Chairman, and I believe the age is 14 and under.

MR. WALDING: Mr. Chairman, I thank the Minister for the information. I'd like to ask him, since this change has been in effect for two years now, what has the experience been of the branch that administers this particular department. As far as my recollection is concerned, prior to two years ago there was only one province in the whole of Canada that levied an exemption, if that's the right term, on children's clothing on the basis of age, and that was British Columbia. The other nine provinces, or eight provinces that had a sales tax granted exemption on the basis of sizes, and this was found to be fairly efficient and not to cause too many problems in the enforcement of it.

It was reported to us that British Columbia, which made the exemption on the basis of age, had run into all sorts of problems and they had found that the provision was almost impossible to enforce. My question to the Minister is, what has Manitoba's experience been in the last two years, has there in fact been a problem of enforcement; is the Minister satisfied that he is not losing any sales tax on purchases by people over the age of 14 who claim to be making the purchase for someone who is under 14?

MR. RANSOM: I would never claim, Mr. Chairman, that we are not losing some revenues over it. The purpose of bringing it in at the time was to try and remove an iniquitous situation where children, 13, 14 years old, parents were having to pay tax on their clothing and in bringing it in I think we probably were quite aware that there could be some problems with it, but that it was in this case, better to give the benefit of the doubt to the parents purchasing clothes for their children.

We have not encountered difficulties, to my knowledge; it's not been brought to my attention, either publicly or from within the department, as being a problem.

MR. WALDING: Mr. Chairman, the Minister is quite correct when he says that there were some anomalies when parents had rather large-sized young children, they needed larger sizes and had to pay sales tax on them. The other side of the coin is that there are, or were, some adults who were of sufficiently small size as to be able to purchase clothing that was in the size limits of the tax free bracket, and so there were penalties for some and benefits for others. The problem that the Minister now faces is of adults who make a purchase of some article of clothing and say that it is for a child under the age of 14 and decline to pay tax or say that they should not pay tax on it. Now this is obviously an abuse, those people who are doing it are in fact evading sales tax which should properly be paid, and I understand that this is one of the problems that was faced in British Columbia. How is the Minister

avoiding such an abuse of sales tax on children's clothing. I'm rather surprised to hear that it has not produced any problem, because it would seem obvious to any parent buying clothes for a child, it's the simplest thing in the world to say well these are for my 13-year-old son, or 12-year-old daughter or whatever it is. And who is to know any differently?

Either the word of the purchaser is to be taken or there is going to be some requirement for legal affidavit that the purchaser is indeed buying these things for the person that he says he is.

MR. RANSOM: Mr. Chairman, I'm not certain, but I believe that in some cases at least, that people are signing declarations. I know in my own case I have encountered that. But the member is perfectly right. If people choose to be dishonest, then this is one area where perhaps it's easier to be dishonest than in others. I suppose the way to overcome that would be to provide a lot of enforcement activity and I don't think that's the sort of thing we are particularly anxious to do at this time. If there is some indication that it is a serious problem then we would have to consider it. I can tell the member is that it hasn't been brought to my attention as a serious problem, either within the department or from the public at large.

MR. WALDING: Mr. Chairman, I am trying to visualize the circumstances under which it would be brought to the Minister's attention. The Minister says that he would need an army of inspectors to find it and obviously he doesn't have an army of inspectors, and the limited number that he does, I understand are checking more in the region of financial returns from different stores. So it would seem that a complaint could not or would not come from them. It would seem, on the other hand, that any adult that was abusing the system is not going to report it to the Minister that that is what has, in fact, happened.

So the Minister says yes, this is an area where there could be abuses and I agree with him there could be. It was well known to the department in advance that these abuses could in fact occur based, not on somebody's speculation or idle thoughts, but on the very solid basis of the experience in British Columbia. I have been told that the province of British Columbia was seriously considering changing their system of exemptions for children's clothing to the same basis as the other eight provinces that levied a sales tax and that they were intending to do this purely because of the headaches, the problems, the administrative difficulties in enforcing the particular provisions and the avoiding of abuses in this regard.

I would have thought that the Minister's department, or the particular branch involved, knowing in advance that there had been problems in British Columbia, that there had been abuses, that they would have made a particular effort in some manner, and I really don't know how they would do it, to monitor the situation and to find out in fact if there were problems.

Just on a slightly different point the Minister mentions that he has in the past signed affidavits or forms of some sort in making purchases. I would like to ask the Minister whether these forms that he has signed are provided by the Sales Tax Branch for the use of stores that are selling children's clothing, or

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whether these are separate forms that are developed by the individual stores themselves for their own use? Or is the signature simply a part of the bill or the invoice, or indeed the receipt that is supplied? Could the Minister inform us of the actual administrative mechanics of some form of affidavit?

MR. RANSOM: As I recall, Mr. Chairman, it was a stamp, something such as is used when you purchase a repair that you certify is for agricultural purposes — some items that could be used for agricultural purposes or for non-agricultural purposes — and simply a stamp on the bill and the signature on it to the effect that it's for that purpose. But I am going from recollection of a personal experience there and perhaps I would be better not to put it on the record because it's a personal experience and I am not certain of it.

A MEMBER: I think it's on the record now.

MR. RANSOM: I guess it is.

MR. WALDING: Mr. Chairman, I wonder if the Deputy Minister has been able to be of assistance to the Minister in this particular regard. I also suspect, although I cannot see up in the gallery behind me, Mr. Chairman, but I would suspect that there are other officials available in the fairly near proximity, who would be knowledgeable in this area and might even be able to send a little note down to the Minister to perhaps give him some advice and help on this particular topic.

One question that would come to mind, Mr. Chairman, knowing the foreknowledge of officials in the department of the possible problems and abuses following this change as of two years ago, do the inspectors in the Sales Tax Branch make a particular point — when they do their regular or irregular inspections of the books of a store — ask for and inspect any of these signed affidavits, for want of a better word, that the store has? Do they in fact count them? Do they tally them up as a percentage of the, perhaps total sales? Do they have an estimate based perhaps on the number of children's sizes to total sizes in the particular store? Are there comparisons made between different stores based on the number of affidavits in each, in an attempt to find out whether the exemption as such is being applied fairly and evenly throughout the retail trade, and to possibly give some indication of whether there are abuses in this field, or whether as we might suspect — 95 percent of Manitobans are honest — and if they say that a particular purchase is for a 14 year old and under that it is in fact so? Has the Minister yet received any nods or notes from up above that might give me a little more information than the Minister has been able to?

MR. RANSOM: There have been no revelations to this point, Mr. Chairman, but I would undertake to get the details of how the program is administered for the honourable member, and what sort of analysis or monitoring that the department undertakes.

MR. CHAIRMAN: I think that you've got somebody helping you, by pointing up to the gallery also.
The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I don't have any more questions on this, just one small observation. In the years before the civil servants were allowed to sit at the desk in front of the Minister, the Minister would sit all alone in glorious isolation in his chair with his staff sitting opposite him in several rows up above, and such questions of a technical or a numerical nature would of course be heard by the Minister's staff in the gallery, and the Minister would sit there looking up towards heaven and there were various semaphore signals and nods and shakes of heads and little notes that were sent down to the Minister. The change that we made some three, four, five years ago, in having staff available to the Minister, were designed to overcome at least part of that. But knowing how dedicated the members of the Minister's department are, I would expect them to be also still up in the gallery, Mr. Chairman, in a position where they might be of a rather speedy assistance to the Minister when he needs help.

MR. CHAIRMAN: (1) — pass; (2) — pass; (3) — pass; (b) — pass — the Honourable Member for St. Vital.

MR. WALDING: I was rather waiting for my colleague to get up and ask the Minister what sort of equipment the Retail Sales Tax Branch was intending to acquire in the coming year. That's under (b)(3).

MR. RANSOM: New cash registers, Mr. Chairman. I am advised that on the previous item, that most stores keep lists of purchasers of children's clothing, names and addresses.

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

MR. USKIW: Mr. Chairman, I'm not sure but I was attempting to get to the question of the rate of royalty tax today compared to the historical and other jurisdiction. Could the Minister give us the rate comparisons, today versus the previous rate and how that compares with other provinces?

A MEMBER: That's the wrong item.

MR. USKIW: Mr. Chairman, I recognize that I may not be on the item. We have passed it.

MR. CHAIRMAN: No, I haven't quite got there. I think that will come under the next item. (b) — pass — the Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. I think the Minister — I don't know, I'm not going to say that he is trying to mislead us — but I think what the Minister is saying that they keep lists, and that's not quite true, because I last Christmas bought some gifts for my granddaughter who is a fairly big girl and they didn't ask me even my name, I paid them cash. Now how in the hell do they know who they sold it to? I'm sure there must be a better method than that answer that the Minister gave us. I can see on a charge card or something, but when a person pays cash there is certainly no asking of the retailer asking me if I am John Doe, and there was no signing for anything, and they were children's clothing in the age group that the Member for St.

Vital was asking about. So, I think that the answer the Minister has is not quite correct. I think there must be something different than what he says.

MR. RANSOM: You can solve that by removing the exemption. Mr. Chairman, the honourable member has asked for an answer to be sent down from above, and the answer that I got from above was as I communicated it to the honourable member. Indeed if there is some real concern about abuse of this part of the system, then perhaps the honourable members would realize that the option would seem to be to remove the exemption and go back to a system that would result in people paying the tax on children's clothing when the intention was that they should not pay it.

MR. CHAIRMAN: (b) — pass; (c) Mining and Use Taxes Branch, (1) Salaries — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, if the Minister would care at this stage then to relate to the Committee the rate of royalty tax as compared with the historical pattern that was used in this province and as compared with other jurisdictions today.

MR. RANSOM: Mr. Chairman, I don't have all of the information at hand but I can . . .

MR. USKIW: If I may be of assistance, Mr. Chairman, if the Minister wishes to leave a document at a subsequent time, that's satisfactory, as long as I receive the information. It doesn't have to be supplied verbally as far as I'm concerned.

MR. RANSOM: Mr. Chairman, perhaps then I should clear it up. My understanding is that the member was asking for a review of what the present provincial rates are as compared to what they were before we changed them, and as compared to what they are in other provinces, and I don't have that information before me. I can obtain some of it. I can tell the honourable member that the rates our province has are competitive with other jurisdictions in Canada and beyond that, I believe we'd reduced it from a two-tier type of system on hardrock metallic minerals from 15 and 35, I believe, down to a set straight 18 percent.

MR. USKIW: Mr. Chairman, again, the Minister perhaps didn't hear what I had to say. I suggested a moment ago that I don't need the answer now, and if the department would wish to supply me with the answer later on in my mail box or whatever, that's satisfactory.

MR. CHAIRMAN: (1) — pass; (2) — pass; (c) — pass. (d) Succession Duty and Gift Tax Branch, (1) Salaries — pass; (2) — pass; (d) — pass. (e) Corporation Capital Tax Branch, (1) Salaries — pass; (2) — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Yes, Mr. Chairman, could the Minister give us an indication as to the expected revenue for the current fiscal year from this source of taxation?

MR. RANSOM: The year that we are in now, the estimate had been \$14,300,000 and we expect to be fairly close to that.

MR. USKIW: Mr. Chairman, as I recall it, and I am speaking from memory now, the third quarterly report indicated a revenue of some \$13.3 million, so we have another quarter to go. I was sort of anticipating that we were going to have more revenue than what was in the revenue estimates, but it's not all that important.

MR. RANSOM: I am advised that it may be somewhat over that but probably not a great deal and the information should be filed. We should know fairly soon how much the total would be.

MR. CHAIRMAN: (1) — pass; (2) — pass; (e) — pass; Clause 4 — pass; Resolution 64 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$5,049,100 for Finance. Taxation Division, \$5,049,100 — pass.

Resolution No. 65, Clause 5, Federal-Provincial Relations and Research Division, (a) Economic and Federal-Provincial Research Branch, (1) Salaries — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Mr. Chairman, a year ago we were debating at some length the equalization agreement with the Government of Canada, and as I recall it a year ago in the debate the then Minister indicated that that agreement expires, I believe, at the end of this fiscal year. If I am not correct, perhaps the Minister would correct me. If that is so, then I would like to know just at what stage we are at with respect to those negotiations and what alterations or modifications or changes are being proposed by either level of government, Provincial or Federal, with respect to equalization.

MR. RANSOM: This is an area where there has not been the progress made that I expect all the provinces would like to see made in that period of time, and perhaps has been delayed somewhat by the debate of the Constitution as well. It has not gotten beyond the stage of officials meeting at this point and of course, the Parliamentary Committee that is looking at aspects of that question is going to interject another factor into the considerations. To my knowledge we do not expect to be meeting with the Federal Minister for some time; we do not know at this point when we will be meeting.

MR. USKIW: Mr. Chairman, perhaps the Minister would then care to explain what the interim arrangements are in the absence of an agreement? I'm not fully familiar with what happens if there is no agreement. Do we continue with the old formula and the old agreement until a new one is reached or have we reached the stage where the money stops flowing pursuant to the old agreement and will not start flowing again until there's a new agreement in place.

MR. RANSOM: There's still a year to go, Mr. Chairman, and I would hope that we would not be talking interim agreement when we still have a year to negotiate.

MR. USKIW: Yes, Mr. Chairman, I would like to ask the Minister whether he is the Chairman of the four western provinces on this particular question. I believe that was the case, I'm not sure if the Minister of Finance for Manitoba is still the Chairman of that

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group representing western provinces, who were involved in the initial negotiations?

MR. RANSOM: I'm just trying to recollect the name of what tag is attached to the group, but yes, Manitoba is Chairing.

MR. USKIW: Well, Mr. Chairman, I then want to pursue the question of unanimity of the four western provinces on the question of equalization, and the reason is obvious, Mr. Chairman, and that is that the provinces of Saskatchewan and Alberta, and certainly the Province of Alberta may not quite share the legitimate aspirations of the Minister of Finance from the Province of Manitoba if, indeed, he is representing Manitoba's interests fairly vis-a-vis the have provinces, Manitoba being the have-not province.

We have here a committee of four, Manitoba being the Chairman, Manitoba being a recipient of equalization payments, Alberta being the person that pays into the equalization fund; I believe so does Saskatchewan now. How does the Minister rationalize the four-province committee structure on this question, knowing that they are probably adversaries on this question?

MR. RANSOM: I think that the member this afternoon, Mr. Chairman, spoke about the need to move away from adversary positions, and that it was necessary for people to sit down and talk about problems that were faced. I believe he made the reference to government and to labour and to business and such and, he says from seat, not when it comes to bucks, but obviously, Mr. Chairman, that's what's involved when labour and business and government talk is bucks. That's what's being talked in this case and it remains to be seen, whether in fact there will be an unanimous position, but I think it would be a very useful exercise, I hope it would be more than an exercise to sit down and see if it is possible to arrive at a position that we think is in common interest.

MR. USKIW: Well, Mr. Chairman, I'm having some difficulty in understanding just how the Province of Manitoba comes out of this exercise the winner in the exercise, or at least getting its fair share of the re-distributed national wealth of this country, if it indeed has to be the spokesman for the Province of Alberta on this question. I know that in 1971 the Province of Manitoba raised the question of the ceiling that was placed on the contributions of the Alberta oil revenues into the equalization formula; I know that the interests of Alberta would be to maintain or ever lower that level of contributions into that formula, based on their oil revenues. Therefore, I see that as a logical and natural difference of viewpoint as between the Province of Manitoba and the Province of Alberta, and I would like the Minister to indicate what his policy is with respect to resource revenues being totally applied into the equalization formula; or whether he concurs with the idea that we will only take a certain portion of resource revenues and maintain a ceiling principle that was enshrined in the old arrangement. Because I think that, given the fact that the resource rich provinces are now receiving such huge windfall benefits from rapidly increasing resource prices of those products, that it

seems to me that we ought to be more on guard than we ever were with respect to removing those ceilings and getting all of the income that we can into the equalization formula.

MR. RANSOM: Mr. Chairman, the name of that group is the Western Provinces Committee on Fiscal Arrangements. It doesn't necessarily mean that the four provinces are going to go with the unanimous position; there are other things to talk about than equalization; there are questions of the established program funding no doubt is going to be one of considerable interest and subject of considerable debate, so I don't think that the member's concern is well-founded in this case. If the provinces don't have an agreement it's not going to stop the four provinces from sitting down to begin discussions with the Federal Government.

MR. USKIW: Well, Mr. Chairman, I'm not suggesting that that is the case. What I am wanting to know is whether Manitoba has a position on the question of how resource revenues are going to be applied into the equalization formula. That is a very important question in the context of the huge resource revenues that are received by two of Canada's ten provinces. It seems to me at this stage, since we are entering into new fiscal agreements, that we ought to make sure that we receive and bargain for as much of the resource revenues as is possible, so to speak, Mr. Chairman; that we don't have to take the old idea as a given and apply it to the new agreement and that idea being that there should be a ceiling on the amount of resource revenue that go into the calculations for the equalization formula.

MR. RANSOM: Mr. Chairman, I have been so concerned to this point about some of the changes and the proposed withdrawals of funding by the Federal Government that, as a Minister, I have not been in a position yet of addressing the details of the equalization question. The staff have been attempting to, in their meetings, to get some feeling at this point for what the Federal Government position might be.

MR. USKIW: The Minister then is indicating that he has not yet established a policy or a Manitoba position on the whole question of equalization negotiations. Can he then indicate when the first meeting or meetings of Ministers is going to take place with respect to the four western provinces, or with respect to Canada as a whole, on this question; or have they already begun?

MR. RANSOM: I expect, Mr. Chairman, that we will be getting together with the other western Finance Ministers at the time of the Western Premiers meeting, approximately a month from now and, as I said earlier, we don't know at this point when the Federal Government is going to propose sitting down with the provinces.

MR. USKIW: Well I wonder if the Minister would at least give an indication of whether he concurs in the idea of maximizing the equalization formula through the unlimited application of resource revenues into that formula, or whether he is going to go along with some lid on the contributions on the part of the provinces of Alberta and Saskatchewan into the Equalization Fund.

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MR. RANSOM: Mr. Chairman, it would I suppose be easier for me to say that I go with the prior position but I have to acknowledge to the honourable member that I have not had an opportunity to address this question in detail and, until I have, I'm afraid that I'm not in the position to give him an answer to that question, except to say that we will be doing our best to protect the interests of Manitoba.

MR. CHAIRMAN: (1) — pass — the Honourable Member for Lac du Bonnet.

MR. USKIW: Well I can assure the Minister that if he doesn't do the best to protect the interest of Manitobans that we will remind him of it, Mr. Chairman, in due course.

The Minister, a moment ago, talked about his concern about the withdrawal of Federal funding in the established programs area; I wonder if the Minister is prepared to indicate what those concerns and what areas of funding is he talking about when he talks about the reduction or withdrawal of Federal funds.

MR. RANSOM: The area that seems to be under most pressure from the Federal Government is that of post-secondary education.

MR. USKIW: Well I understand that the Minister is generalizing in his answer, but can the Minister indicate what the position is of the Government of Canada, in the areas where they, in his opinion at least, or in his words, are reducing or attempting to reduce funding under those programs?

MR. RANSOM: We don't know the details yet, Mr. Chairman. We have information that was in the October budget which I believe indicated that there was going to be a saving to the Federal Government of some \$1.5 billion; and we have indications from the Federal Minister of Health and Welfare that it isn't her area of responsibility that's being looked at for the cutbacks and so it comes down to it would appear that post-secondary education is the likely one on the basis of the documents that have been leaked and circulated among the universities and such. Again, it would indicate that post-secondary education is the area that's being looked at but there is no firm proposal before us at the moment, but every indication is that that's what we'll be faced with.

MR. USKIW: Can the Minister then confirm that is the only area in the established program financing that he is concerned about, or are there other aspects that he is concerned about within those programs; or is it just post-secondary education?

MR. RANSOM: When the member says, the only one I'm concerned about, we're concerned about all of them, but that is the area where the indications are that the Federal Government plans to make cutbacks in funding to the provinces.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Well, I'm a little surprised at the lack of answers we're getting from

the Minister in this area because he explained a few minutes ago to the Member for Lac du Bonnet that he was primarily concerned with withdrawals of Federal funding, as opposed to some other matter.

I was a little surprised at the lack of answers we're getting from the Minister in this area because he explained a few minutes ago to the Member for Lac du Bonnet that he was primarily concerned with withdrawals of Federal funding, as opposed to some other matters that my colleague from Lac du Bonnet raised. So I'm very very surprised that he is not giving us more detail, just precisely where and how are we getting squeezed or where is the possibility of being squeezed by the Federal Government on post-secondary education? What about the whole field of Health? My understanding was that the Federal Government there too was interested in perhaps withdrawing from certain joint programs. I don't have the details, but one could also think of other areas where the Federal Government may have some joint concerns. As a matter of fact I think you could probably look at every department and see where there is Federal Government involvement as well as provincial; you could look at Agricultural programs, there's a great deal of federal financing involved there; you could look at even Transportation programs, even Highway construction, Trans-Canada Highway, and so on and go right down the list and see, Mr. Chairman, a great number of areas where the Federal Government has put up money in a joint way. So I would think that the Minister would have more to tell us in the way of some detail, and if he can't, can the Minister tell us what position the Government of Manitoba is preparing on post-secondary education or with regard to Health or with regard to any other area that we may be affected by Federal Government decisions?

MR. RANSOM: Mr. Chairman, I am reluctant to enter into excessive criticism of the Federal Government because it is so easy to do, but unfortunately I cannot answer the questions that the Member raises because we have not been provided with the information from the Federal Government. What we are faced with is general statements with a leaked document and rumour of what might happen. It appears to us as though the Federal Government is laying the groundwork for cutting back in the area of post-secondary education. I hope that is not the case; I wish that they would be able to come out and say that's not the case, but I'm afraid the indications are somewhat different and I think the honourable member probably has as much information as I have. I believe it was the honourable members opposite that tabled the leaked document that dealt with some of the Federal financing that seems to have been circulated as a basis for building the case. So I'm sure, Mr. Chairman, the honourable member knows as much from that document and from public utterances as I know about what the Federal Government's intentions are.

MR. CHAIRMAN: 1. pass — the Honourable Member for Brandon East.

MR. EVANS: Well, I'd like to know from the Minister whether he thinks he and his colleagues, the Premier, can do anything? Do they have any leverage? Do they have any capacity to negotiate

with the Federal Government in this area, or is it a matter of sitting back or standing back and waiting for what might be the inevitable? Is there anything that the Government, that the Minister can do to perhaps offset a move in this direction?

MR. RANSOM: We attempted, Mr. Chairman, when the Provincial Ministers met with the Federal Minister in December, my predecessor pressed the Federal Government then to meet as early as February and begin discussions on some of these questions and was unable to get that commitment from the Federal Government. I must say it seems as though the Federal Government is unwilling to enter into negotiations and discussions on items such as these so long as they have the Constitutional issue foremost in their minds and the minds of Parliament and indeed occupying much of the time of all our governments. We don't seem to be able to get passed that roadblock.

MR. EVANS: Well is the Minister suggesting that there will not be any Finance Ministers meeting until after this Constitutional Debate and discussions are out of the way in every way shape or form in the Parliament of Canada or is there a Finance Ministers meeting planned in the foreseeable future?

MR. RANSOM: Perhaps, the honourable member wasn't here when we discussed this briefly earlier.

As I said, we have been pushing and were pushing for an early meeting. The Constitutional issue was partly responsible for delaying it, then the Ontario election was responsible for the delay, now the Quebec election is responsible for the delay, and a date has not been set. As far as the Provinces are concerned the ball was placed in the Federal court because they were urged to meet in February and I believe we have correspondence from the Federal Minister explaining why it's not possible to do that. If we don't hear something at the conclusion of the Quebec election, as to when we'll be meeting, we certainly will be taking the initiative to try and get things moving.

MR. CHAIRMAN: 1 pass — the Honourable for Brandon East.

MR. EVANS: On another item which is very specific and very pending, it's in a form of a Federal-Provincial Conference but not a full-blown conference and that is the meeting that is scheduled for Winnipeg in the very near future, as I understand, between the Federal Minister of Energy, Mr. Lalonde, and the Alberta Minister of Energy, I believe his name is Mr. Merv Leach; is the Minister and this particular Branch, Federal-Provincial Relations and Research Division, at all going to take any part in the meeting or do anything that it could possibly do to facilitate discussions between, in effect, the Federal Government and the Province of Alberta with regard to the very important issue of oil pricing in Canada?

MR. RANSOM: Mr. Chairman, to my knowledge, we will not be involved in the discussions beyond being the host for the Alberta and Federal people. I'm sure that in an informal way, naturally that we would be exerting whatever sort lubrication we could in order to try and move things but in a formal sense I don't expect to be involved.

MR. EVANS: Yes, sir. I can appreciate the fact, Mr. Chairman, that one cannot be involved formally in discussions unless one is invited to this sort thing, but on the other hand, it is being held in the City of Winnipeg, Province of Manitoba and I would trust that the Government, whoever the government, whether it be the Minister of Finance or the Minister of Energy or the Premier, The First Minister, do indeed take this opportunity to at least informally try to bring the parties together for an early resolution.

I would like to ask specifically about possibilities of topics that may be brought up at the next First Ministers Meeting. I'm not certain of course of exactly what your agenda will be, perhaps the Minister himself doesn't know, but I would like to ask the Minister whether this particular branch is doing, at the present time, any research into the matter of DREE funding of industries and programs in the Province of Manitoba? We know the various agreements and we know there are other Ministers involved, but at the same time there's the whole question of DREE money that goes directly to industrial development projects and, while I appreciate this is a concern of the Minister of Economic Development, at the same time it seems to me that it may also be an important item for research by this particular branch. So I wonder if the Minister could tell me whether indeed, his Federal-Provincial Relations and Research Division is looking into the question of DREE funding in Manitoba. I'm particularly concerned with whether we are getting our fair share of DREE money. I have maintained in the past that that has not always been the case and I don't agree with the criteria that DREE uses for deciding on the amount of money to come into Manitoba. I think too often they look at simply the level of unemployment and not sufficiently at the rate of economic development.

I think that it's incumbent upon any government of Manitoba, and on the key Ministers, Finance, Economic Development, First Minister and others who are concerned with the process of the economic growth in this province, to do whatever we can to persuade the Federal Government to appreciate that we need more DREE assistance. I have always maintained that in the long run Manitoba will develop and grow based on its own resources, including the abilities and efforts of its own people. There is no magic pot of gold at the end of any rainbow in any foreign country; the pot of gold is right here in Manitoba if we can only harness our resources and put our shoulders to the wheel and try and develop our Province.

At the same time, while the Federal Government has such a program known as Regional Economic Expansion, and while I see tens upon tens of millions of dollars going into Maritime Provinces, I think particularly of Nova Scotia, it seems to me that there has been a lot of development of Nova Scotia because of the DREE programming and I don't take anything away from Nova Scotia, goodness knows it has needed some assistance and you can see some fairly positive growth resulting from these Federal programs. Also, it seems to me, Mr. Chairman, that Quebec, the Province of Quebec has got a great share, a great deal of the money that has been available from this department. There may be some political considerations and, if that is the case, it's unfortunate.

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MR. BLAKE: It's your Liberal friends in Ottawa.

MR. EVANS: Well, don't call them my friends; they're not my friends. At any rate, again the Minister may get up and say well this is in another department, but it seems to me that this is a very critical area and it has a lot of implications on other matters that would pertain directly to the Minister of Finance such as potential tax revenues from new industries. We would like to see some more tax revenues from that area, and this is one Federal program, I think, that is deserving of attention of this Minister.

MR. RANSOM: That is a concern to us, Mr. Chairman, of course, and we have done some research into it in order to fit us better for negotiations with the Federal Government. I heard an interesting little anecdote tonight of a situation in Quebec where one of the local members of the Provincial Assembly was going to attend a sod turning and had not invited Mr. Chretien who was the Federal Member for the same area. Mr. Chretien showed up at the sod turning nevertheless and, as the local member went and turned one shovelful of sod, Mr. Chretien went and turned nine shovelfuls of sod to show the portion of the Federal Government funding. In Manitoba they generally would be turning six shovelfuls of sod and we think, in many cases, that is not an equitable sharing as compared to some situations elsewhere in the country. It is one of the concerns that the province has had concerning the core area agreement which established, if it's concluded, will establish a new sharing of costs on the one-third, one-third, one-third between the Federal Government and the province and the city. It is an issue of concern and we are doing work to be aware of what's happening elsewhere in the country and we continue to put pressure on the Federal Government every time negotiations come up with respect to DREE agreements.

MR. CHAIRMAN: 1 pass — the Honourable Member for Brandon East.

MR. EVANS: Well, I don't want to really belabour the point, I think I've made my point and I think the Minister is appreciative of the fact that maybe there is some room here for Manitoba. I don't mean the Government, I mean all of Manitobans in whatever way, although it may be through various government programs nevertheless it effects all of us, all of the business community and ultimately many Manitobans, that we indeed should try as hard as we can. I just want to point out also, Mr. Chairman, and again I don't want to take very much time, that the other Federal department concerned with Economic Development, Industry, Trade and Commerce, for some many many years, if you look at their programs and where they spend their money again, in my view, there's a disproportionate amount that goes to Central Canada. DREE, on the one hand, is supposedly attempting to provide some sort of regional economic balance within the country and Lord knows, if we need any basis for unity in this country, in my view one of the most fundamental bases at least has got to be economic. There's got to be economic opportunities generally from coast to coast. They won't be equal but we've got to try to

help people in areas such as Newfoundland or northern New Brunswick or what have you. But while you have the program known as DREE, on the other hand, even though it's not administered as equitably as I'd like to see it or as well as I'd like to see it as far as our province is concerned, I'm very much annoyed at Industry Trade and Commerce which spends a great deal of money, including large handouts to failing industries in the Province of Ontario, and it seems to working at cross purposes with DREE. Again I appreciate that this could be in a subject matter of a Conference of Industry Ministers, of Economic Development Ministers, at the same time I'd like to take this opportunity, I am taking the opportunity, to urge the Minister of Finance not to make Ministers' meeting of whatever nature, whether they be First Ministers or Finance Ministers, in this respect and maybe the Premier as well when he attends Federal-Provincial conferences, should be aware of this fact, made aware perhaps by the staff, that we are not getting a fair shake as far as Industry Trade and Commerce is concerned.

It seems to be busy in bringing forth more concentration of manufacturing in Central Canada and I am of the opinion that there's a lot of room here for consideration for more money for this province, for our industry — I don't mean for the government but I mean for the industry in this province — the grants and the programs, and whatever.

At any rate, Mr. Chairman, as I said I don't want to belabour this but I trust that the Minister with this division will be as vigilant as possible and at future meetings will try to get every nickel possible for the Province of Manitoba. At the same time I want to reiterate that I don't think we should be dependent upon Federal Government handouts, but if the programs are there and if they're giving them to the other provinces, and particularly perhaps in a disproportionate way to Quebec or Ontario or wherever, I think we would be failing our citizenry if we didn't get in there and try to get every nickel possible for the business community and for the people of Manitoba.

MR. CHAIRMAN: (1) — pass; (2) — pass; (a) — pass. (b)(1) — pass; (2) — pass; (b) — pass. Clause 5. pass; Resolution No. 65 — pass.

Resolved that there be granted to Her Majesty a sum not exceeding \$728,900 for Finance. Federal-Provincial Relations and Research Division, \$728,900 — pass.

Resolution No. 66. The Honourable Minister.

MR. RANSOM: Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.